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**JOINT COMMITTEE
ON POST AUDIT
and
OVERSIGHT**

Post Audit and Oversight Bureau

JULY 16, 1973

**Administrative
Practices in the
Construction Division
of the Metropolitan
District Commission**

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FOREWORD

The Legislative Post Audit and Oversight Bureau was established by Chapter 1008 of the Acts of 1971, as amended by Chapter 247 of the Acts of 1972. Its purpose is to conduct, under the direction of the Joint Legislative Committee on Post Audit and Oversight of the Massachusetts General Court, a legislative auditing program with special emphasis on performance auditing. For the purposes of the work of the Bureau, the term "performance auditing" is defined as an auditing program conducted for the particular purpose of making an appraisal or evaluation of the efficiency of operations, the effectiveness of programs, and the faithfulness of administrative compliance with the intent of legislation and administrative regulations affecting a specific agency of the Commonwealth.

Senator Francis X. McCann serves as the Senate Chairman of the Joint Committee on Post Audit and Oversight by appointment of the President of the Senate, while the Speaker of the House of Representatives has designated Representative Gerald P. Lombard as the House Chairman thereof.

The Joint Committee on Post Audit and Oversight directed the Bureau to conduct this study as the result of widespread reports that the M.D.C. Construction

Division was being used as a haven for employment on a patronage basis. The peculiar organizational nature of this division, whereby all employees are non-civil service and are hired by the M.D.C. Commissioner with the approval of the Governor, and the fact that, salaries for such personnel are paid out of bond funds and not from monies appropriated by the General Court, lends itself to this type of procedure. Salaries, likewise, are within the prerogative of the Commissioner and the Governor which further enhances the possibility.

This study was directed by Arthur V. Morley with the assistance of Michael J. DeVecchio, Dennis F. Griffin, and Frederick L. Rhodes, Jr.

The report, herewith submitted, concentrates on the presentation of factual information with analysis when necessary, together with findings and substantive recommendations.

On behalf of the Bureau, I wish to note our appreciation to the members of the Joint Committee on Post Audit and Oversight for their assistance in the development of this report and to express our thanks to staff personnel of the Metropolitan District Commission and the state Comptroller's office for their cooperation during the period this audit was in process.

WILLIAM H. FINNEGAN
Director

July 16, 1973.

SUMMARY

The Construction Division of the Metropolitan District Commission is the successor organization to the Metropolitan District Water Supply Commission, created by Chapter 375 of the Acts of 1926, whose purpose it was to design and construct the Quabbin Reservoir water distribution system. Legislation expanded the duties of the Metropolitan District Water Supply Commission in 1941, by abolishing the Metropolitan District Sewer Construction Commission and delegating the responsibility for its five sewer projects to the Metropolitan District Water Supply Commission.

In 1947, in response to the Governor's message citing alleged waste and duplicity of programs being carried out by the M.D.C., legislation was adopted which abolished the Metropolitan District Water Supply Commission and directed the Commissioner of the M.D.C. to create, within the M.D.C., a division of construction to be staffed by temporary non-civil service employees.

The title "Construction Division" is, in reality, a misnomer because no employee of this division is engaged in the actual construction of water supply projects. Rather, their responsibility consists of the design of such projects together with supervision of the actual construction work. The M.D.C. changed the title of this division by administrative action in July, 1972, to that of "Engineering Division." While there may be some question as to the legality of this action because the Construction Division was established by statute, the new title more adequately describes the purposes of this division.

The Construction Division is totally under the control of the M.D.C. Commissioner and the Governor. Its operations are financed out of the proceeds of bond sales which are authorized by the Legislature and the

Governor, and language in the bond authorization acts permits the payment of administrative and engineering expenses (which includes salaries of personnel) from bond funds. Consequently, employees of the Division are compensated not by budget appropriations, as are other state employees, but rather by bond money; and, in addition, they are categorized, for payroll purposes, as "00" employees as distinguished from "01" permanent and "02" temporary employees.

Since the creation of the Construction Division in 1947, the Governor and the Legislature have authorized bonding for its operations, including water supply projects together with administrative and engineering expenses, to an amount of \$123,500,000.

Metropolitan District Water Loan Act of 1950	\$15,000,000
Metropolitan District Water Loan Act of 1952	7,000,000
Metropolitan Water District Additional Loan Act of 1956	20,000,000
Metropolitan Water District Additional Loan Act of 1961	10,000,000
Metropolitan Water District Additional Loan Act of 1962	10,000,000
Metropolitan Water District Additional Loan Act of 1966	11,500,000
Metropolitan Water District Additional Loan Act of 1967	25,000,000*
Metropolitan Water District Additional Loan Act of 1970	25,000,000**

*\$10,000,000 of this authorization has been issued as of April 30, 1973, leaving a balance of \$15,000,000.

**None of the bonds authorized under this act has been issued.

The Construction Division is organized into four sections, namely, financial, right of way, administration, and engineering services. It must be noted, however, that the administration section is comprised of those employees of the Division who have been

assigned to the administration section of the Commissioner's office and whose work is related minimally, if at all, to water projects.

As of January, 1973, there were 267 employees on the Construction Division payroll at a weekly cost of \$62,260.33. The same four sections were in existence in January, 1970, at which time 195 persons were employed at a weekly cost of \$39,004.00.

CONSTRUCTION DIVISION — JANUARY, 1973

SECTION	EMPLOYEES	SALARY
Financial	15	\$2,305.25
Right of Way	14	3,230.83
Administration	38	9,456.20
Engineering Services	200	47,268.05
TOTAL	267	\$62,260.33

CONSTRUCTION DIVISION — JANUARY, 1970

SECTION	EMPLOYEES	SALARY
Financial	15	\$1,801.60
Right of Way	11	2,129.50
Administration	11	2,134.40
Engineering Services	158	32,938.50
TOTAL	195	\$39,004.00

The annual payroll of the Construction Division approximates \$3,200,000 and, at interest rates currently being paid for bonds from which these salaries are paid, the net cost to the property owner in the M.D.C. Water District is approximately \$6,500,000 over the life of the bonds.

The existence of three sections in the Construction Division, financial, right of way, and administration, is seriously open to question. These three sections, as of January, 1973, employed 67 people at a weekly salary cost of \$14,992.28. As stated previously, these salaries are paid out of bond funds and their work relates minimally, if at all, to water projects.

The organization chart of the Metropolitan District Commission belies the necessity for their existence. This document clearly demonstrates that the M.D.C. is divided basically into three sections: Administration, Special Projects, and Operations. Included under the Administration section is the Right of Way Division (to which all fourteen employees of the Right of Way Section of the Construction Division are assigned) and the Financial Division (to which all fifteen employees of the Financial Section of the Construction Division are assigned.) In addition, the thirty-eight employees in the Administration Section of the Construction Division have been assigned to various offices within the administration section of the Commissioner's office. All this, despite the fact that the Construction Division is organizationally located in the Operations Section of the M.D.C. The following are some examples of personnel

of the Construction Division who work outside the Division:

Executive Assistant to the Commissioner for
Administration and Planning

Chief Administrative Assistant to the
Commissioner

General Counsel

Executive Assistant to the Commissioner for
Operations (Administrative Engineer)

Director of Personnel

Assistant Director of Personnel

The purpose of the Commissioner in using Construction Division personnel for these and other administrative positions is obvious. Employees of the Division are non-civil service and are hired by the Commissioner with the approval of the Governor. Their positions are unclassified and need not be approved by the Legislature. Their salaries are not paid from appropriated funds, nor are they subject to rules and regulations of the Bureau of Personnel. In addition, the Commissioner has *fiscal autonomy* with regard to these employees, not only with respect to employment, but also as to the salaries they receive. Consequently, the Commissioner need not be bothered with requesting approval of these positions by the Legislature, nor with annual appropriations, nor with Civil Service and Personnel requirements and he can and does pay them salaries in excess of state salaries for comparable positions.

During the tenure of the present Commissioner, a period, incidentally, during which personal income has been stabilized and job security has been threatened, the Construction Division has expanded more than 37% personnel-wise and its payroll has increased by approximately 58%.

Growth has been most noticeable in the area of duties unrelated to the purposes of bond authorizations. In the area of administrative duties, for instance, growth was 245% for personnel and 343% for payroll. In fact, of the eleven members of the construction division who earn more than \$20,000.00 per year, six have duties that bear little or no relationship to the purposes of the water bond out of which they are paid. One must bear in mind that the ultimate cost to the member communities of the M.D.C. Water District for each of these administrators is over \$40,000.00 per year.

The cities and towns comprising each of the districts have no direct control over the expenditure of bond funds for personnel and salaries. However, there is a control mechanism available. All new hiring, pay increases and promotions in the Construction Division must be approved by the Governor. There is no evi-

dence to suggest that the Governor's austerity program extended to the operations of this division. On the contrary, the Governor has approved each and every action of the Commissioner with respect to it. These included additional hiring, high salaries, and excessive salary increases.

WATER DISTRICT COSTS

The operational costs of the M.D.C. Water District are assessed upon the member cities and towns in the form of a charge for water use. These costs include the debt service, i.e., the principal plus interest, of the Construction Division bond funds. The amount which the M.D.C. charges the cities and towns for water is currently \$120 per million gallons. This amount, as has been the case in the past, is insufficient to meet the operating costs of the Water District including the debt service of the bonds. Consequently, the Metropolitan Water District incurs a deficit each year. To meet this deficit, the State Treasurer is mandated to float additional bond issues. The ultimate effect is a refinancing of debt service. Since the establishment of the Construction Division in 1947 through calendar year 1972, the State Treasurer, in compliance with law, has floated additional bonds in the sum of \$93,938,000 to meet annual deficits of the Water Division.

SCHEDULE OF ORIGINAL DEBT ISSUED AS AUTHORIZED BY CHAPTER 587, ACTS OF 1945

Metropolitan Water Use Development as of September 1, 1972

1947	\$2,250,000	1960	3,987,000
1948	2,700,000	1961	4,747,000
1949	3,090,000	1962	4,584,000
1950	3,540,000	1963	5,460,000
1951	4,650,000	1964	4,950,000
1952	5,280,000	1965	2,310,000
1953	4,080,000	1966	2,610,000
1954	5,545,000	1967	1,885,000
1955	2,727,000	1968	2,415,000
1956	2,621,000	1969	3,175,000
1957	3,084,000	1970	3,390,000
1958	3,907,000	1971	3,510,000
1959	3,761,000	1972	3,680,000
		Total	\$93,938,000

The additional bonding carries concomitant interest charges, and this also is added to the operational costs of the Water District. What this can mean in the future, based upon the continued use of five percent — forty year bonds, is that rather than a \$40,000 cost for a \$20,000 salary, the cities and towns in the district could be paying as much as \$80,000 for the original \$20,000 salary.¹

COST ACCOUNTING SYSTEM

The Construction Division has no project cost accounting system for water projects. As a result, establishing a cost for a particular project is a near impossible task. In correspondence received from the Commissioner of the M.D.C. in response to a request for cost information, he wrote, "The accounting system mandated by the State Comptroller is of such a nature that the readily obtainable object code breakdown can only be approximated at this time with the personnel currently available. A more definitive breakdown would require several weeks to accomplish." The explanation failed to account for the fact that there is more "definition" in both sewer and park project accounts than there is in the water project accounts from which the Construction Division employees are paid.

In the absence of a "definitive" cost breakdown, it became necessary to establish some other standard of measurement.

In the Metropolitan Boston area there are many consulting engineering firms that can and do perform the same services as the Construction Division performs. Many, if not all, of these firms will perform the planning, design, and construction supervision of large scale sewer and water construction projects for something in the vicinity of four to seven percent of the construction costs. This four to seven percent would include profit for the firm as well as an allowance for all overhead and administrative costs.

The Construction division expenditures for the five year period 1968-1972 shows that salaries alone were 18% of sewer construction costs, and over 37% of water construction costs. With this kind of cost-benefit, one must challenge the very existence of the Construction Division and ask if it might not be more economical to have these services performed by private engineering firms. It would appear that, with annual construc-

¹ M. D. C. Recommendations (House, No. 135), November 1, 1972:

"In fifteen years the Metropolitan Water debt increased forty-eight percent: from \$76,853,000 in fiscal 1956 to \$113,536,000 in fiscal 1970. It is pertinent to note that during this period, there was issued \$60,649,000 of bonds for new construction, and a nearly equal amount, \$52,887,000 for refinancing, by Water Use Development Bonds. In other words, during this period fifty-four percent of the bond sales were for new construction and forty-six percent of those sales were for refinancing the outstanding indebtedness.

With unsold bonds authorized for new construction presently amounting to sixty-four million dollars, that debt must continue to rise. Only an increase in water rates will prevent a debt in excess of one hundred thirty million dollars in the next five to six years.

It is an unalterable fact that the Metropolitan District Commission is merely financing deficits by issuing Water Use Development Bonds, because the current water rates provide an annual income which is \$3,500,000 less than expenses. Bonds must be issued to make up the deficit, thereby deferring payment of current deficits throughout the succeeding thirty years (the terms of the bonds). For example, the 1969 deficit was \$3,390,000; and when the bonds were issued, their total interest cost was determined to be \$3,432,000. This means that future water users must pay \$6,822,000 for the 1969 deficit. . . ."

tion costs averaging \$10,000,000 for water and sewer projects, savings in the area of over \$2 million per year over current costs could be achieved.

FRINGE BENEFITS

Construction Division employees receive the same fringe benefits as all other state employees, such as retirement benefits, group insurance coverage, vacations, sick leave, etc.

The total cost entailed in providing these benefits to the employees of this division is assessed by M.D.C. management procedures on the member communities of the Water District. This method is followed despite the fact that many of these employees work on Sewer District and Park District projects, while still others are assigned to the administration section of the Commissioner's office. Consequently, the cities and towns in the M.D.C. Water District are subsidizing the fringe benefits of employees of the Construction Division who may never have worked at all on water projects.

This assessment on the Water District communities in Fiscal Year 1972 amounted to \$521,102 for payments to retirees, and \$157,626.22 for group insurance.

ADDENDUM TO SUMMARY

Since the cutoff date for the field survey work of this audit, January 31, 1973, new personnel have been added to the Construction (Engineering) Division by the Commissioner with the approval of the Governor.

A review of the letters of appointment which were approved by the Governor indicate the following additions to the Construction Division payroll:

- 1) **Engineering Section**
Senior Environmental Bio-Engineer
Job Group 25 Step 6
\$21,106.80 Weekly \$405.90
Effective 3-26-73
This individual transferred from the Department of Natural Resources where he was an 02 employee, grade 23, position P47.
- 2) **Right of Way Section**
Assistant Director of Right of Way
Job Group 23 Step 5
\$18,449.60 Weekly \$354.80
Effective 4-30-73
- 3) **Commissioner's Staff (Administration Section)**
General Construction Inspector
Job Group 13 Step 1
\$8,772.40 Weekly \$168.70
Effective 4-23-73
- 4) **Commissioner's Staff (Administration Section)**
Administrative Assistant
Job Group 17 Step 1
\$11,278.70 Weekly \$216.90
Effective 5-15-73
This individual was a provisional grade 14 as Administrative Assistant on the Administration payroll prior to going on the Engineering Division payroll.

- 5) **Commissioner's Staff (Administration Section)**
Associate Planner
Job Group 22 Step 1
\$14,825.20 Weekly \$285.10
Effective 5-15-73
This individual worked for the M.D.C. as an 03 Traffic Consultant from 1970-1973.
- 6) **Finance Section**
Senior Accountant
Job Group 18 Step 1
\$11,895.00 Weekly \$228.75
Effective 5-15-73
This individual was a provisional Senior Accountant (grade 16) prior to going on the Engineering Division payroll.
- 7) **Engineering Section**
Senior Clerk-Typist
Job Group 6 Step 1
\$6,068.40 Weekly \$116.70
Effective 5-15-73
- 8) **Engineering Section**
Assistant Environmental Planner
Job Group 16 Step 1
\$10,545.60 Weekly \$202.80
Effective 5-15-73
- 9) **Engineering Section**
Junior Civil Engineer
Job Group 14 Step 1
\$9,323.60 Weekly \$179.30
Effective 7-2-73
- 10) **Engineering Section**
Head Clerk
Job Group 11 Step 5
\$8,886.80 Weekly \$170.90
Effective 7-1-73
- 11) **Finance Section**
Principal Clerk
Job Group 9 Step 3
\$7,454.20 Weekly \$143.35
Effective 7-2-73

SUMMER EMPLOYMENT

- 1) **Commissioner's Staff (Administration Section)**
Head Administrative Clerk
Job Group 13 Step 1
\$8,772.40 Weekly \$168.70
Effective 5-21-73
Prior service — summer 1972
- 2) **Engineering Section**
Junior Engineering Aid
Job Group 8 Step 2
\$6,801.60 Weekly \$130.80
Effective 5-15-73
- 3) **Engineering Section**
Junior Engineering Aid
Job Group 8 Step 1
\$6,562.40 Weekly \$126.20
Effective 5-15-73
- 4) **Engineering Section**
Senior Sanitary Engineering Aid
Job Group 11 Step 4
\$8,593.00 Weekly \$165.25
Effective 5-15-73
- 5) **Engineering Section**
Junior Engineering Aid
Job Group 8 Step 1
\$6,562.40 Weekly \$126.20
Effective 5-15-73
- 6) **Engineering Section**
Junior Engineering Aid
Job Group 8 Step 1
\$6,562.40 Weekly \$126.20
Effective 5-15-73

INTRODUCTION

RATIONALE FOR STUDY

The Metropolitan District Commission is a state-imposed federation of three overlapping yet independent districts which were organized for the purpose of providing the area served by the Commission with unified water, sewer and/or park facilities. Although providing what are usually considered municipal services, the commission is administered by appointees of the Governor, who serve coterminously with him.

The sole executive and administrative head of the agency is the Metropolitan District Commissioner. Four associate commissioners serve on a part-time basis, have limited responsibilities and no administrative duties.

There are 54 cities and towns in the metropolitan area which belong to the water, sewer or parks districts, or a combination thereof.¹ The cost of the services provided by each district is paid for by the communities in the respective districts. Payment of all charges are made through three "fund" accounts in the state's General Appropriation Act, over which the cities and towns exercise no control or decision-making authority. A fourth, or general administrative account in the same appropriation act, is supported by the first three accounts and by the state Highway Fund in equal proportions.

Money for maintenance is appropriated to each of the fund accounts by the Legislature with the approval of the Governor and charged to the member communities by a variety of formulae. From time to time, the Governor and Legislature determine what capital construction is required by the metropolitan districts and how much will be borrowed for such purposes. While M.D.C. construction bonds carry the credit of the commonwealth, the entire cost of amortization is assessed

¹See Appendix A.

back on the community members of the respective districts.

Another charge assessed on the metropolitan cities and towns, and usually overlooked since it is not budgeted, is the cost of the M.D.C. Construction Division. Under direct control of the Governor, through his commissioner-appointee, the Construction Division is financed through the sale of bonds, the authorization for which is granted by the General Court and the Governor.

In Fiscal 1972, expenditures attributed to the operations of the Metropolitan District Commission, including debt service requirements, were approximately \$86,000,000. (Table 1). This compares to a total of \$63,040,504.93 for Fiscal Year 1969. The difference represents an increase of 36.3 percent in a three-year period, a period under wage and price controls most of the time.

TABLE 1
Expenditures Attributed to MDC Operations

	1969	1972
Expenditures from:		
General Fund	\$ 148,277.04	\$ 209,100.49
Highway Fund	10,020,548.06	13,999,453.10
Highway Fund Interest on Debt	856,848.44	1,195,299.19
Highway Fund Debt Retirement	1,675,000.00	2,216,250.00
MDC Funds, (Parks, Sewerage Water)	16,607,360.65	24,274,030.49
MDC Funds, Interest on Debt	7,559,780.68	8,705,801.49
MDC Funds, Debt Retirement	11,883,000.00	12,437,000.00
Bond Funds	14,148,807.82	22,915,860.32
Other Funds	140,882.24	725.00
Total	\$63,040,504.93	\$85,953,520.08

In 1969, interest as a percentage of debt retirement was 62.1 percent (Table 2). In other words, for every \$1000 of debt principal retired, the taxpayers of the

M.D.C. districts that year paid an additional \$621 in interest charges. By 1972, the relative percentage had risen to 67.9 percent, or an additional \$679 in interest paid along with \$1000 in principal.

TABLE 2

Interest as a Percentage of Debt Retirement:

	1969	1972
Highway Fund Interest	\$ 856,848.44	\$1,195,299.19
MDC Funds Interest	7,559,780.68	8,705,801.49
Total Interest	\$ 8,416,629.12	\$ 9,901,100.68
Highway Fund Debt Retirement	\$ 1,675,000.00	2,216,250.00
MDC Funds Debt Retirement	11,883,000.00	12,437,000.00
Total Debt Retirement	\$13,558,000.00	\$14,653,250.00
Interest as a percentage of debt retirement	62.1%	67.9%

In this period, M.D.C. debt retirement costs rose by 8 percent while interest costs rose by a phenomenal 17.6 percent.

Future debt service requirements show a more ominous picture (Table 3). In increasing the principal amount outstanding as of June 30, 1972, by \$21,886,000 over June 30, 1969, eventually it will cost in interest charges an additional \$31,080,588.

TABLE 3

Debt Service Requirements to Maturity

	1969	1972
Principal	\$243,307,000.00	\$265,193,000.00
Interest	101,242,072.50	132,322,659.50
	\$344,549,072.50	\$397,515,659.50

In order to increase the principal amount outstanding by \$21,886,000.00 from 1969 to 1972, it has cost, in interest charges, an additional \$31,080,588.00.

In spite of the rising cost of borrowing, the Metropolitan District's bonded indebtedness has increased at an alarming rate. In 1969, the 12-month expenditures out of borrowed money was \$14,148,807.82 while the related figure for 1972 was \$22,915,860.82, representing an increase of 61.9 percent. (Table 1)

In addition, in 1969, the amount of bonds authorized and unissued amounted to \$82,975,752.22. In 1972, the amount of bonds authorized and unissued had risen to \$212,270,039.00, an increase of 156 percent (Table 4).

TABLE 4

Bonds Authorized and Unissued.

	1969	1972
Metropolitan Parks District Fund	\$27,634,877.69	\$ 61,313,448.00
Metropolitan Sewerage District Fund	14,851,905.09	102,244,216.00
Metropolitan Water District Fund	40,488,969.44	48,712,375.00
Total	\$82,975,752.22	\$212,270,039.00

Finally, a comparison of debt service as a percentage of total expenditures of the Metropolitan District Commission with two other departments in the state service whose functions are somewhat similar to that of the Metropolitan District Commission shows the following:

TABLE 5

Debt Service Comparison

	Total Expenditures	Debt Service Requirements	Percentage
Dept. of Public Works	\$264,485,407.86	\$53,970,525.81	20.4%
Dept. National Resources	43,548,577.88	\$ 2,216,250.00	5.7%
Metropolitan District Commission	86,936,164.32	24,545,350.67	28.2%

Clearly, the expanding debt being imposed upon the M.D.C. districts, the fact that these districts find themselves committed to paying more than twice over for borrowed money, and the obscurity of the operations surrounding the Construction Division, are elements justifying the following study.

SCOPE AND METHODOLOGY

It was determined that any attempt to study the whole Metropolitan District Commission area of responsibility would require many more people than the Post Audit and Oversight Bureau has at its disposal. It was felt that an in-depth review of the use of bonds by the Metropolitan District Commission would be the most beneficial use of time in that it would provide information on bond use in general, and would offer, in addition, the opportunity to analyze an operation with a very high growth rate and a potential savings of taxpayer dollars.

During the early phases of the study it was determined to further restrict the scope to an analysis of the use of water and sewer bonds and a review of the Construction Division operations. There was a total review of this division in terms of its management practices, its method of financing its operations, its relationship to other operating divisions of the Metropolitan District Commission, and its relationship to the administrative functions of the Metropolitan District Commission. The method used was observation, interview, and analysis of data where available.

HISTORY AND LEGISLATIVE BACKGROUND

Metropolitan government had its origin in Massachusetts as a means, in theory at least, of providing the Greater Boston community with public health services which the City of Boston and its neighbor communities could not agree to furnish on a cooperative basis.

When it became apparent that this impasse could not be resolved by the communities themselves, the state acted to protect the public health. The solution reached was not the establishment of a form of regional government for the communities involved, but, rather, the creation of a state agency, under the control of the Governor, which retained complete supervision over all metropolitan programs. The costs of these programs, however, were assessed upon the member cities and towns by a variety of formulae.¹

Nearly a century later, this same situation exists. The Metropolitan District Commission, the direct descendant and successor of the earlier agency, is not a regional governmental body but a state agency under the control of the Governor.

After the Civil War, the attention of legislative bodies, relieved of war-related questions, could concentrate on the problems associated with the industrialization and urbanization of the country. Massachusetts was among the leaders in seeking solutions. Greater Boston,

by reason of age and site, was the focal point of attention since it contained the most unhealthy aspects of unrestricted growth — pollution of its waterways and a diminution of its water supply. Rivers and streams had served since colonial time as the chief conduits for sewage and industrial waste and communities were turning to them for useable water. The most offensive open sewers in the commonwealth were the Charles and Mystic Rivers and the cities of Boston, Charlestown and Somerville along their shores suffered from this contamination. Pollution of the estuaries of the Charles and Mystic Rivers was also suspected of contributing to the startling rise in the death rate of Boston early in the 1860's. In 1869, created a State Board of Health which was the first state-level health agency in the United States. The 1860's.

As an initial step, the Massachusetts Legislature, in earliest studies of this board condemned the filthy rivers as well as the living conditions in the crowded cities. Responding, the Legislature, in 1872, directed the board to "study the general problem of sewage disposal, including conversion to fertilizer, and the effects of drainage in rivers and streams, and hazards of using the same bodies of water for drinking and drainage".²

One of the earliest references to "the metropolitan district" was contained in a report of the State Board

¹—"While the communities included in the metropolitan districts are assessed for most of the improvements made, and for the operation and maintenance work carried on by the Commission, these municipalities have no direct voice in the determination of the policies and the expenditures of their metropolitan authority. Obviously this situation is open to criticism as a governmental policy, since it amounts to taxation without adequate representation." From Part XIII, Report of the Special Commission on Taxation and Public Expenditures. [House No. 1713 of 1938]

Also: "A system of metropolitan control which permits the Legislature, representing the entire Commonwealth, to tax the people of the district not for state but for local purposes, and then, having deprived them of all but a fractional voice in the levying of the tax, decrees that the money shall be spent by those whom the payers of the tax have no voice in appointing and over whom they can exercise no control, is not a system which can be reconciled with the American political methods. That good work has been done under it is not an argument in its defence". (From Report of a Special Commission on a General Administration for the City of Boston and Adjoining Municipalities. [1896])

²Chapter 366, Acts of 1872.

of Health just 100 years ago. There was a need, the Board found, for a "comprehensive and harmonious system for the drainage of the whole metropolitan district"³ which would disregard city and town lines. Every city and town within a radius of 10 miles of the State House should be in the proposed district, the Board stated. Otherwise, the district was threatened by its own wastes.

Debated for the next 16 years were proposals for establishing an inter-governmental agency or a new level of government which would be capable of overcoming pollution while being mutually fair to populous Boston and the surrounding communities. Boston was expected to pay a major share of the cost of a solution to the problem, but its environs were controlled by persons alienated from the Capital city by politics, nationality and social differences and who were opposed to being submerged by annexation to Boston or by a representative body which would give the balance of power to Boston. A plan which would give the city a role commensurate with its financial contribution was unacceptable to its neighbors.

Boston could not wait for an acceptable joint program. In 1875, it set up a municipal commission to study means of alleviating sewage and drainage problems. As a result of the findings of this commission, the city built the Boston Main Drainage System during the years 1876-1885. This system of intercepting sewers along the waterfront with connectors to older sewer lines of the city carried the city's waste into the bay. Prior to this, the old sewer lines discharged sewage directly into the tidal basins of the Charles, Mystic and Neponset Rivers or onto the salt water flats.

The new sewers did not help Cambridge, Charlestown, Somerville or other communities which were further from the ocean, and the waste from these areas continued to pollute the rivers.

Under authorization of Chapter 63 of the Resolves of 1884, the Legislature provided for "the appointment of a Commission to consider a general system of drainage for the valleys of the Mystic, Blackstone and Charles Rivers, and certain other portions of the commonwealth." The Massachusetts Drainage Commission, as it became known, issued its report during the latter part of 1885. The following year the Legislature directed the state Board of Health to investigate the problem further. The Board used and amplified the report of the Massachusetts Drainage Commission. In 1887, it prepared plans and estimates for a sewerage and drainage system for the Mystic River Valley.

The Legislature, fully aware of the political realities, i.e., the mood of the suburbs against annexation to Boston and/or metropolitan government, yet cogni-

zant of its duty to provide for the health and safety of its citizens, established a Metropolitan Sewerage District under the control of the Governor. The Metropolitan Sewerage District Board, established by Chapter 439 of 1889, consisted of three commissioners appointed by the Governor and was mandated to construct, maintain and operate for the cities of Boston, Cambridge, Somerville, Malden, Chelsea, Woburn, and the towns of Stoneham, Melrose, Winchester, Arlington, Belmont, Medford, Everett and Winthrop, such main sewers and other works as shall be required for a system of sewage disposal for said cities and towns, and for the cities of Boston, Waltham and Newton, and the towns of Watertown and Brookline another such system, both of which systems shall be in substantial accordance with the plans reported and recommended by the state board of health in its report to the legislature of eighteen hundred and eighty-nine.

Having resolved one preplexing problem of the Greater Boston area simply by removing it from local controls, the state subsequently reverted to this same procedure when other problems, metropolitan in nature, arose.

Chapter 342 of the Acts of 1892 created a temporary park commission and the following year, Chapter 407 of the Acts of 1893 established the Metropolitan Park Commission. This commission consisted of five members appointed by the Governor and it was mandated to provide park and recreational facilities for the cities and towns enumerated in the statute. The method of financing *the commission* was to assess bond and interest charges on the basis of property valuation of member communities, while maintenance costs were to be assessed on the basis of population.

Next in the sequence of events was the establishment of the Metropolitan Water Board by Chapter 488 of the Acts of 1895. This board consisted of three members, also appointed by the Governor, and its operational costs were assessed as follows: Boston was to pay at the same ratio that its valuations had to the total of the district. The other cities and towns were assessed "one-third in proportion to their respective valuations and the remaining two-thirds in proportion to their respective populations."

Thus in the space of six years, three essential government services were removed from the control of persons primarily responsible for paying for them. The suburbs willingly turned over to the state the control of services which they could not afford without Boston's participation because they could see the benefit to them of modern sewer, water and park departments.

There were, during the next twenty years, some significant developments in the execution of the various

³Report of the state Board of Health, 1873

mandates. For example, the Metropolitan Park Commission accumulated over 6000 acres of land. However, the time for organizational retrenchment came. There were being created some duplicate administrative services, and expenditures were growing steadily. In 1901, by Chapter 168 of that year, the Legislature consolidated the water and sewerage boards. By 1909, the metropolitan sewer debt was \$13,500,000; the park debt was over \$14,000,000, and the water debt had exceeded \$41,000,000.

Responding to the mandate of the constitutional convention of 1918 limiting to 20 the number of state departments and, also, to the theory that consolidation could result in economies, the Legislature, in 1919, created what is now known as the Metropolitan District Commission.⁴ The new commission was created through the consolidation of the Metropolitan Water and Sewerage Board and the Metropolitan Park Commission.

This hybrid agency was composed of a commissioner and four associate commissioners, all of whom were to be appointed by the Governor. The five were not equals. The act read: "the commissioner shall be the executive and administrative head of the commission, and shall organize the commission in divisions and supervise the same . . ." Essentially, a strong one man executive structure was erected with a single appointee of the Governor in command. The cities and towns served by the commission continued to be without a voice in its operation except through petition to the full Legislature.

A more appropriate name for the consolidated political body might have been the Metropolitan *Districts* Commission since it is an association of unmatched districts and not a unified gathering of communities. At the present time, there are 32 cities and towns in the water district, 37 in the parks district, and 41 in the sewer district. In all, 54 municipalities are provided with at least one of its services. Apportionment of costs among the metropolitan communities is an imperfect science.

Attached to the conglomerate agency, providing services for all districts in differing quantities, is an appendage called the Construction Division. This is made up of employees, the great majority of whom owe their jobs to political considerations. Despite the general use of the Construction Division staff, most of the \$3,000,000 annual payroll which supports this division comes from the water users in 32 cities and towns. A lesser portion of the cost is borne by member communities of the sewer division.

M.D.C. CONSTRUCTION DIVISION

During the year 1919, the Governor and Legislature directed the State Department of Health and the Metropolitan Water and Sewerage Board, acting jointly, to investigate the water supply needs of the inhabitants of the commonwealth.⁵ This Joint Board, in 1922, recommended the construction of a water works supply system to serve Worcester and the Greater Boston areas. Its proposal remained in limbo, however, until 1926, when Gov. Alvan T. Fuller signed legislation providing for the creation of a special Metropolitan District Water Supply Commission system in substantial accordance with its plans and recommendations. Chapter 375 of the Acts of 1926 also provided that the Metropolitan District Commissioner would be chairman of the three member board and that when completed, the water supply system was to be maintained by the Metropolitan District Commission as part of its water system. A bond issue of \$14,000,000 was included in the enabling legislation together with a provision that Worcester contribute another \$1,000,000 for its own system.

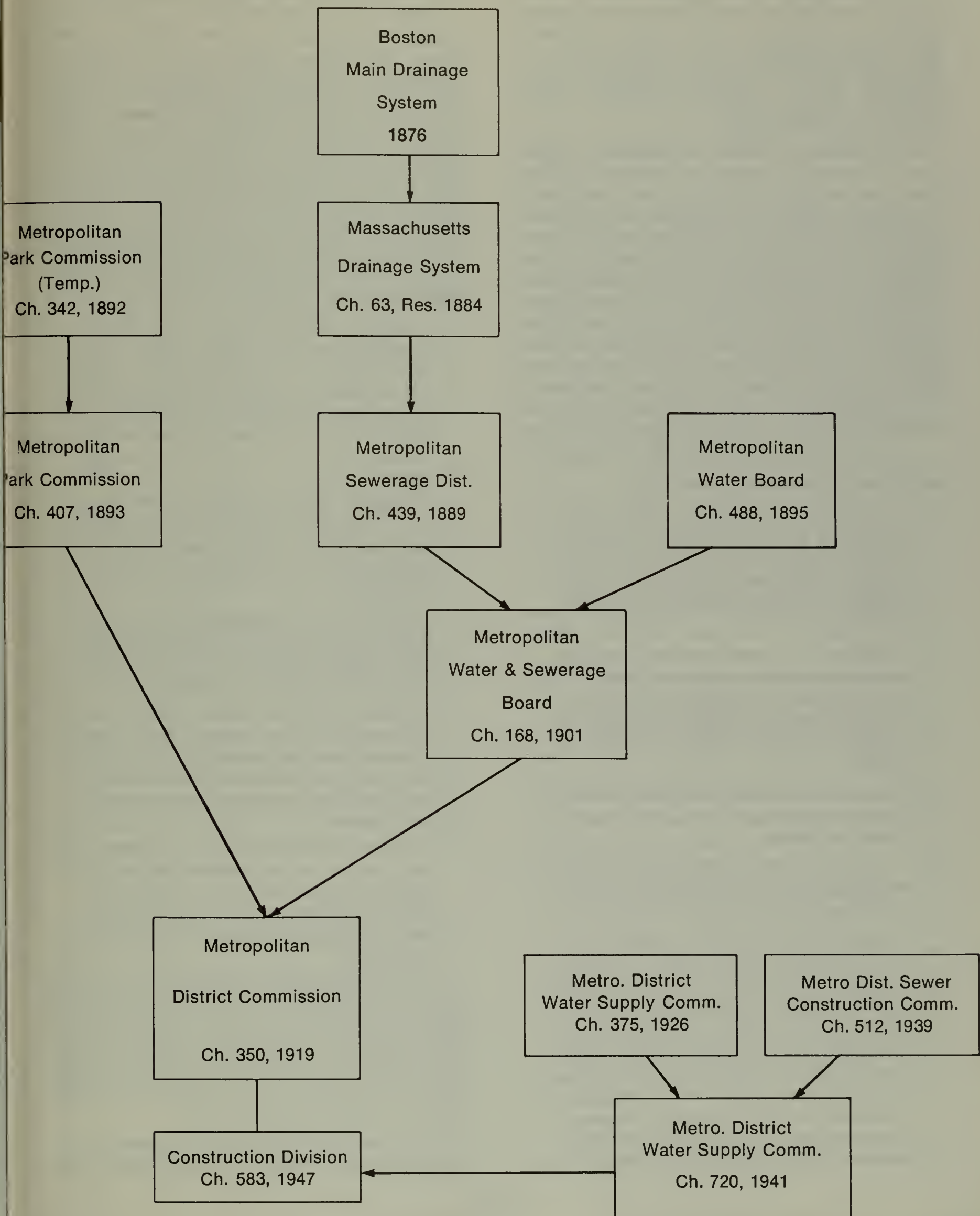
The special Metropolitan District Water Supply Commission was given a free hand in planning and constructing the new Quabbin facility. Section 2 of Chapter 375 reads, in part: "The commission may appoint and in its discretion remove such engineering, legal, clerical and other assistants as it may deem necessary to carry on the work hereinafter authorized, and may fix their compensation in accordance with such rules and regulations as the commission may establish and as shall be approved by the governor and council. Such appointments shall not be subject to classification under section forty-five to fifty, inclusive, of chapter thirty of the General Laws, and chapter thirty-one of the General Laws shall not apply to removals, and, in accordance with such regulations as the commission may establish and as shall be approved by the governor and council, any appointment, including that of the chief engineer, may be wholly exempt from said chapter thirty-one. Upon request of the commission, the Division of Civil Service shall hold special examinations."

This language gave the M.D.C. the alternative of hiring employees in this Division either within or without Civil Service. The Commission opted for the latter and this practice has continued to the present. Consequently, the employees of this Division are not required to meet specified qualifications or to comply with Civil Service laws, rules and regulations; rather, they are, in most instances, hired on a patronage basis by the Commissioner with the approval of the Governor.

⁴Chapter 350, Acts of 1919

⁵Chapter 49, Resolves of 1919

METROPOLITAN DISTRICT COMMISSION
Construction Division Historical Chart



The intention of the Legislature clearly was to create a temporary commission, staffed by temporary personnel, to construct a reservoir system and turn it over to the Metropolitan District Commission to operate and maintain. This original intention of the General Court has been modified by subsequent administrative and legislative action.

The pattern of creating an independent agency, free of civil service qualifications and controls, and subject to the possibility of patronage abuse, was repeated 13 years later when sewer extensions were considered. Chapter 512 of the acts of 1939 established the Metropolitan District Sewer Construction Commission "consisting of the commissioner of the metropolitan district commission as chairman, the director and chief engineer of the sewer division of the metropolitan district commission, the chief engineer of the department of public health of the commonwealth and two associate commissioners, to be appointed by the governor and council. . . ." Section 2 of Chapter 512 was identical with Section 2 of the 1926 statute cited immediately above.

The Sewer construction Commission was delegated to carry out the following projects:

Project 1. To construct a storm overflow conduit on the northerly side of the Charles river for the purpose of providing relief from storm overflows into the Charles river basin, including a pumping station and appurtenant works.

Project 2. To construct storm overflow conduits on the southerly side of the Charles river for the purpose of providing relief from storm overflows into the Charles river basin, including a pumping station and appurtenant works.

Project 3. To construct a sewage treatment plant and appurtenant works at Nut island in the city of Quincy.

Project 4. To provide sludge disposal equipment, including one sludge boat, for the south metropolitan sewerage district.

Project 5. To construct an extension of the north metropolitan relief sewer from East Boston to Deer island, including a pumping station and appurtenant works, at East Boston. Upon completion of said projects the commission shall turn the same over, together with all appurtenances and property incidental thereto, to the metropolitan district commission, which shall hereafter maintain them as parts of the metropolitan sewer system under chapter ninety-two of the General Laws, with all the

powers and duties conferred and imposed upon it by said chapter.

Chapter 720 of the Acts of 1941 abolished the two-year-old Metropolitan District Sewer Construction Commission and transferred its functions to the Metropolitan District Water Supply Commission, consolidating the two non-career employee forces. The statute, solely for carrying out the purposes of Chapter 720, expanded the membership of the administration of the Water Supply Commission to include, ex officio, the director and chief engineer of the sewerage division of the M.D.C. and the director and chief sanitary engineer of the division of sanitary engineering of the Department of Public Health. The purposes were spelled out as the construction of the following five sewer projects:

Project 1. The construction at a cost not exceeding three million eight hundred thousand dollars, of a sewerage treatment plant and appurtenant works at Nut island in the City of Quincy, including the construction of equipment for the disposal of sludge from the sewage of the south metropolitan sewerage district.

Project 2. The construction of and extension of the north metropolitan relief sewer from East Boston to Deer island, including a pumping station and appurtenant works at East Boston.

Project 3. The construction of a storm overflow conduit along Alewife brook in the cities of Cambridge, Medford, and Somerville and the towns of Arlington and Belmont.

Project 4. The construction of a storm overflow conduit on the southerly side of the Charles river for the purpose of providing relief from storm overflow into the Charles river basin, including a pumping station and appurtenant works.

Project 5. The construction of a storm overflow conduit on the northerly side of the Charles river for the purpose of providing relief from storm overflow into the Charles river basin, including pumping station and appurtenant works.

When completed, the above projects were to be turned over to the M.D.C. to maintain and operate. The temporary nature of the jobs of individuals hired by the water commission to supervise the work of the private contractors on sewer work was emphasized by a condition in the law which barred the employees from membership in the state retirement system.

The commonwealth's credit was pledged up to a maximum of \$15,000,000 for sewer facilities, which

were to be paid for ultimately by the M.D.C. sewer district and under a federal emergency public works program.

With passage of the consolidation act, the determination of which cities and towns would pay what proportion of the cost of water projects and which the cost of sewer projects — since water and sewer districts are not identical — became clouded. When the Metropolitan Water Supply Commission was charged only with construction of a water supply system, assessments could be easily passed along to the member cities and towns in the water district on the basis of water use or valuations. However once the commission was to be maintained as a multiple-projects organization, serving two different groups of municipalities, with one group interested in water and the other sewerage, the apportionment of costs became more complicated. Three decades have passed since the commissions were consolidated and while the division of costs has not been solved, there is no evidence that the M.D.C. is concerned.

Chapter 375 of the Acts of 1926, as previously noted, empowered the Water Supply Commission to "appoint and in its discretion to remove such engineering, legal, clerical and other assistants as it may deem necessary to carry out the work herein . . ." The work referred to was the construction of a water supply system. As long as the commission was involved solely with the water supply project, administratively it was permissible to charge the salaries for these temporary positions to water bonds. However, when the Legislature added unrelated sewerage projects to previously initiated water projects a problem arose of fairly apportioning cost of employees to the different communities which were the beneficiaries of the different projects. This 1941 shift in responsibilities *mandated*, by implication at least, the creation of a project cost control system which would provide management with the kinds of information necessary to *control* expenditures for each project and to properly assess costs.

The Legislature delegated authority, impliedly, to the commission and that body has failed in its responsibilities. In fact, even the present Construction Division of the Metropolitan District Commission, direct line successor to the Water Supply Commission, rejects the idea of a cost control system with the statement that the state comptroller does not require it. We feel that while the state comptroller, also a gubernatorial appointee, may not require it, prudent business practice does.

The opinion is presented here that if expenditures were coming from General Fund appropriations with

legislative review, steps toward the assessment of costs between projects would have been taken.

Chapter 587 of the Acts of 1945 directly tied M.D.C. charges for water to the amount of water used in each community in the district and fixed the charge at \$40 per million gallons. This action made it imperative that a cost system be established to guarantee that charges for water and sewers be segregated to avoid improper charges between districts.

This act also authorized the state treasurer to borrow money to make up any deficit in the water bonds account when water charges do not equal the cost of bond amortization plus maintenance. This open-ended feature has resulted in the borrowing of millions of dollars to pay for interest charges on earlier borrowings and to meet current payroll expenses. Interest has been mounted on interest. The charge for water has been increased to \$120 per million gallons but even this amount is insufficient to meet expenditure requirements with the result the M.D.C. district is going deeper and deeper into debt by floating additional bonds.

It was argued that the open-ended borrowing policy was the fairer way of paying for the Quabbin Reservoir. Since the useful life of Quabbin was estimated at over 100 years, supposedly it was unfair to tax persons for only 40 years for a project which would be useful for a longer period of time. In addition to establishing a questionable practice from a fiscal point of view, the 1945 statute had a corollary effect of guaranteeing the continued existence of a "temporary" agency and the perpetuation of an unregulated payroll.

Gov. Robert F. Bradford in his inaugural address in 1947 criticized the administrative weaknesses of the Water Supply Commission and was instrumental in bringing about a partial reform. The Governor's message stated, in part, "The Metropolitan District Water Supply Commission is an example of the kind of duplication in government which it is our responsibility to end. . . . The personnel of this Commission is employed outside of the Civil Service to perform functions which parallel those of the water and sewer divisions of the Metropolitan District Commission . . ." The Governor found "the waste of maintaining this special purpose agency (has) reached the point of absurdity" and recommended "that the Metropolitan District Water Supply Commission be terminated not later than the end of the current fiscal year by transferring its functions to the Metropolitan District Commission together with such personnel as may be temporarily required to complete the projects now under authorization".

Later that year, legislation was enacted which had the appearance of carrying out his recommenda-

tions. The Water Supply Commission was abolished and "all its functions, rights, powers, duties, obligations and properties are hereby transferred to and shall hereafter be exercised, performed and held by the metropolitan district commission, which shall be its lawful successor," the new statute affirmed.

The "reform" lost much of its meaning, however, when another section of the consolidation act was implemented. Chapter 583 of the Acts of 1947 further provided that "all of the persons employed on the effective date of this act by the metropolitan district water supply commission shall be transferred as temporary non-civil service employees, without loss of any rights, to a division of construction which the commissioner of the metropolitan district commission is hereby authorized and directed to establish under said commission; and the persons so transferred shall not be subject to the provisions of chapter thirty-one of the General Laws (Civil Service), or the rules made thereunder". Conditions existed which could have permitted the orderly phasing out of the "temporary" employees no longer needed on the Quabbin project but the result was to the contrary. The consolidation merely transferred the "temporary" employees into the M.D.C. Construction Division.

During the second year of his term of office, the Governor signed into law legislation to "freeze in" everybody who had worked for the water supply commission and had managed to transfer into temporary jobs with the water division of the M.D.C.⁶

Whether they had worked one day or for years with the eliminated commission, employees who were still on the payroll on July 1, 1948 were automatically protected by the civil service laws, subject only to taking a non-competitive examination.

The effect of this action was a 25% increase in the cost of maintenance of the water division in its first year.

Today, a quarter of a century later, the Construction Division is spending more money for salaries in a single year, beyond the reach of state personnel rules and regulations, than the water supply commission that it replaced spent during its entire existence between 1926 and 1947.

The Legislature, in establishing the old Water Supply Commission, intended that the commission make a continuing accounting of its operation to the General

Court. "The Commission established hereby" stated the 1926 act, "shall annually, on or before January fifteenth, make a report, in conformity with the provisions of section thirty-two of chapter thirty of the General Laws, for the fiscal year ending on the thirtieth of November preceding, and said report shall be printed as a public document under section six of chapter five of the General Laws." Other than for the war years, the Water Supply Commission reported to the Legislature and the public annually in Public Document 147 up to the time of its abolition in 1947.

Did the Metropolitan District Commission have an obligation to publish an annual report for the construction division? Chapter 583 of the Acts of 1947 stated "the metropolitan district water supply commission, however constituted, is hereby abolished, and all its functions, rights, powers, *duties*, obligations and properties are hereby transferred to and shall hereafter be exercised, *performed* and held by the metropolitan district commission, which shall be its lawful successor." (emphasis supplied)

It is clear that the Legislature, in specifically directing the Metropolitan District Commission to establish the construction division as the device for receiving the persons and functions so transferred, also intended that there be a continuance of an annual report concerning the progress of projects authorized — all of which were to be constructed over a limited period of time — so that the public and its representatives would be aware of the operations of the Construction Division. However, the Metropolitan District Commission ceased to publish any further annual reports concerning the Construction Division.

The only public information concerning the Construction Division that has been available since 1947 must be distilled from the annual financial reports of the Metropolitan District Commission which are required under Chapter 92, Section 100.⁷ Succeeding Commissioners have been remiss in complying with the requirements of this statute and have failed to inform the General Court of its current receipts, expenditures, disbursements, assets and liabilities.

Finally, the Metropolitan District Commission in July, 1972, voted to change the name of this Division from the Construction Division to the "Engineering Division." This was done despite the fact that the Construction Division was created by statute.

⁶[E]ach employee of the water division of the metropolitan district commission who was formerly employed by the metropolitan district water supply commission and who was transferred to said metropolitan district commission by chapter five hundred and eighty-three of the acts of nineteen hundred and forty-seven, shall become unlimited, subject, however, to the civil service laws and rules, and subject, also, as to each such employee except craftsmen, skilled laborers and laborers employed in the maintenance and operation of works, to his passing a qualifying examination to which he shall be subjected by the division of civil service." Chapter 635, Acts of 1948.

⁷"The commission shall keep full, accurate and separate accounts of its receipts, expenditures, disbursements, assets and liabilities, and shall, on or before the third Wednesday in January in each year, report to the general court an abstract of the same for the preceding fiscal year, together with all recommendations for legislation which it deems desirable, and shall, as soon as may be, present a more detailed statement of its doings for said fiscal year, the same to be printed as its annual report for the year. Section thirty-three of chapter thirty shall apply to such recommendations whether the same are contained in such abstract or in such detailed statement." Chapter 92, Section 100, Gen. Laws.

GENERAL ORGANIZATION METROPOLITAN DISTRICT COMMISSION

The Metropolitan District Commission, within the Executive Branch of the state government, operates under a table of organization which divides responsibilities generally between three areas: Administrative, Special Projects and Operations. Each of these sections is headed by an executive assistant who is under the immediate supervision of the Commissioner.

Within the Operations Section of the Commission, six divisions have been established: Water, Sewer, Parks and Recreation, Parks Engineering, Construction, and Maintenance. The M.D.C. Police Division is organized under the administrative branch of the commission.

PAYROLL ACCOUNTS

There are currently more than 3000 persons on M.D.C. payrolls. The great majority of these individuals fill permanent positions which are classified under civil service and have been authorized by the Legislature.¹ The balance are either "02" temporary employees or are carried as "00" employees which categorizes them

as temporary employees paid out of bond issue funds. These "00" employees are confined to the Construction Division.

The M.D.C. payroll for Fiscal 1972 totalled \$29,256,550.58. Of this amount, approximately \$3,000,000 represented compensation for "00" employees in the Construction Division.

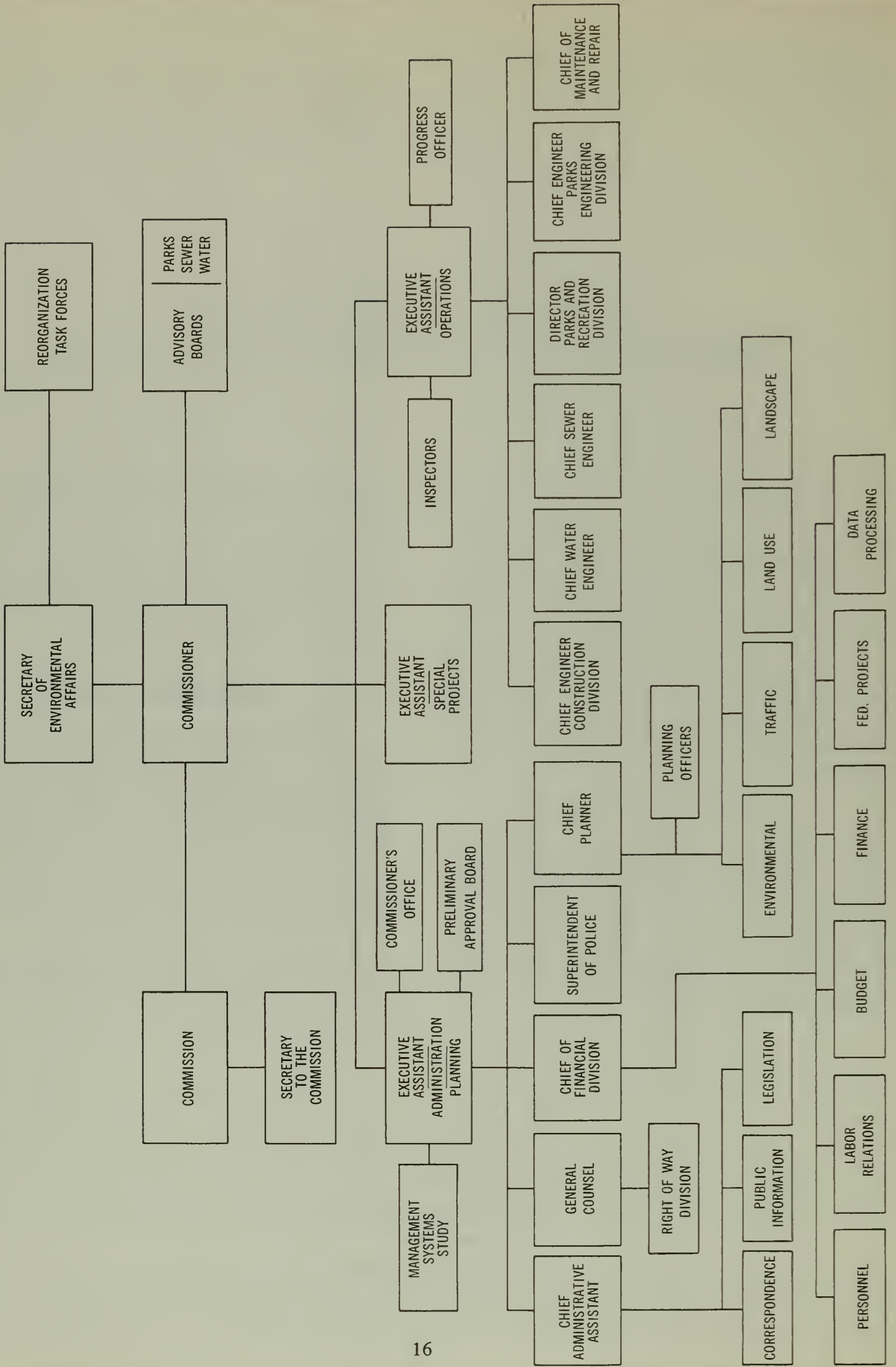
MAINTENANCE COSTS

The table of organization previously mentioned is an in-house plan for the orderly operation of the commission. It doesn't supplant the statutory organization of the M.D.C. or the manner in which money is appropriated to the commission. In actuality, there are three metropolitan agencies, providing, respectively, water, sewer or park services, and each is supported in its own manner and charges are individually apportioned. On top of this structure is the general administrative office of the Commission and tenuously attached is the Construction Division, each supported in a different fashion.

¹Permanent positions as authorized by the Legislature in Chapter 514, Acts of 1972. The total of 2661 is broken down among M.D.C. sections as follows:

Parks Engineering	83
Parks Labor	685
Parks Police	643
Sewerage North South Systems	524
Sewerage Engineering	39
Water Division Police	11
Reservoirs Aqueducts Pipe Lines	434
Division Pumping Service	118
Water Maintenance Engineering	55
General Administration	69

METROPOLITAN DISTRICT COMMISSION



Using terms of the state's general appropriation Act, the above five "divisions" are funded as follows:

Metropolitan Water System: Costs assessed back on the 32 member communities via the Water District Fund.

Metropolitan Sewerage District: Costs assessed back on the 41 member communities via the Sewerage District Fund.

Metropolitan Parks District: Costs assessed as follows:

60% to the state Highway Fund

39% to the 37 member communities via the Parks District Fund

1% to the General Fund.

Administration: Costs assessed on member communities and the state as follows:

25% to the Highway Fund

25% to the Parks District Fund

25% to the Sewerage District Fund

25% to the Water District Fund.

Construction Division: Initially, costs are assessed to the Water District Fund but portions may be assessed on the Sewerage District Fund at a later point by a system of transfers approved by the state comptroller or by the General Appropriations Act. Such transfers supposedly cover the cost of services performed by the Construction Division for the Sewer District.

In addition to the above charges, there is an additional assessment upon each of the three metropolitan "funds" to support the cost of the Executive Office of Environmental Affairs.² Forty-nine percent of the cost of this office falls on the metropolitan "funds" as follows:

20% Water District Fund

15% Sewerage District Fund

14% Park District Fund

On occasion, projects are approved which include within the enabling legislation their own special apportionment of costs. For example, Chapter 514 of the Acts of 1972 provided that the Highway Fund should pay the entire cost of certain highway maintenance equipment for the M.D.C.

DIVISION RESPONSIBILITIES

According to a publication compiled in 1964 by the M.D.C. and updated through 1972, entitled, "Origin, Development and Activities of the Metropolitan District Commission", the duties of the Water Division, among other things, consists of "the construction of numerous improvements to the distribution supply mains."

According to the same publication, the Sewerage Division "is responsible for the construction, operation, and maintenance" of the sewerage systems within the Metropolitan Sewerage District.

The Parks Engineering Division "has charge of all design, architectural and engineering work for the construction and maintenance of all facilities under its jurisdiction."

The Construction Division is charged with "the design and construction of the water supply projects required for the distribution and augmentation of the enlarged water system." It is also responsible for the multimillion dollar pollution control program and the multimillion dollar flood control program.

The primary responsibility of the latter division is, in reality, to design and supervise the construction of the water supply projects which will later be maintained by the Water Division. The Construction Division does not engage in the actual construction of water supply projects.

²Chapter 514, Acts of 1972, Account No. 2000-0100

CONSTRUCTION DIVISION

Implicit in our discussion of the Construction Division of the Metropolitan District Commission is the ever present conflict between legislative bodies and executive bodies concerning control of expenditures. This conflict is present in private industry vis-a-vis the board of directors versus the officers of the corporation. Hence, the growth of information systems (i.e., reporting, financial, marketing, production control, etc.) as a means of developing a joint interest in the cost of doing business.

The conflict is no less a problem in the state service. On the one hand, the Executive claims that the Legislature has too many control mechanisms and, consequently, the Executive is unable to efficiently carry out the mandate of his department. On the other hand, the Legislature claims that it does not get enough significant information from the Executive to allow it to make reasonable judgments as to the efficiency of various programs. We hope to shed some light on the theory and the fact of Executive budgetary freedom as it applies to this division which exists outside the state budget.

ORGANIZATION

There has been some disagreement within the Metropolitan District Commission as to what or who constitutes the Construction Division. For the purposes of this report we have determined that the Construction Division consists of all people whose salaries are paid out of water bond money and are classified as "00" employees, whether or not there is reimbursement from other funds for their services. This totals 267 employees as of the January, 1973, payroll period. In addition, the base period for our comparisons will be January, 1970, the month before the present commissioner took office.

The Construction Division is organized into four sections, namely, financial, right of way, administration and engineering services. Table 6 shows the number of employees and the weekly salary expenditure as of last January.

It is of significant note that the administration section comprises those Construction Division employees who are assigned to the administration section of the Commissioner's office and whose work is related minimally, if at all, to water supply projects.

TABLE 6

	PEOPLE	WEEKLY SALARY
<u>CONSTRUCTION DIVISION</u>		
Financial	15	\$2,305.25
Right-of-Way	14	3,230.83
Administration	38	9,456.20
Engineering Services	200	47,268.05
Total	267	\$62,260.33

In January, 1970, the Construction Division was organized into the same four sections. Table 7 shows the status at that time.

TABLE 7

	PEOPLE	WEEKLY SALARY
<u>CONSTRUCTION DIVISION</u>		
Financial	15	\$1,801.60
Right-of-Way	11	2,129.50
Administration	11	2,134.40
Engineering Services	158	32,938.50
Total	195	\$39,004.00

How did this growth come about? First, it is necessary to establish the staffing pattern procedures, the payroll procedures, and budget requirements.

STAFFING PROCEDURES

The act creating the Metropolitan District Water Supply Commission¹ in 1926 reads in part: "The commission may appoint and in its discretion remove such engineering, legal, clerical and other assistants as it may deem necessary to carry on the work herein authorized, and may fix their compensation in accordance with such rules and regulations as the commission may establish and as shall be approved by the governor and council." On October 5, 1926 the commission established as one of its rules that it may "appoint and in its discretion remove such engineering, legal, clerical and other assistants as it may deem necessary to carry on the work of the Commission, and may fix their compensation, provided that salaries in excess of \$5,000.00 per annum shall be submitted to the Governor and Council for approval." On October 15, 1926 the following was placed in the minutes of the meeting: "The Chairman reported, for purposes of record, that the Rules and Regulations with reference to the employment of personnel, approved at the preceding meeting of the Commission, had been approved by the Governor and Council except for an amendment in Rule 3, by which amendment all salaries in excess of \$3,500.00* as requested by the Commission, were to be submitted to the Governor and Council for approval. * — instead of \$5,000.00".

In 1947, when the Construction Division was created to replace the Metropolitan District Water Supply Commission, this approval power was continued. Chapter 740 of the Acts of 1964 removed the necessity of the Council's approval in these matters. That left only the Commissioner and the Governor to do the staffing.

Procedurally, the potential employee is interviewed by the Metropolitan District Commissioner and approved for appointment. A letter is then sent to the Governor for his approval. The employee is placed on the payroll when this approval is given.

There is evidence that this procedure may not always be followed. There is on record one letter from the Governor's office requesting the Commissioner to interview the applicant. The applicant was subsequently hired by the Metropolitan District Commission. For

further evidence, one can simply refer to the public pronouncements of the present Commissioner concerning the pressure of patronage.

We are not suggesting that the current situation began with the present administration. We are concluding, however, that the most recent growth in the Construction Division has indeed coincided with the appointment of the present commissioner. The relationship between the present Governor and the present Commissioner speaks for itself. Every promotion, hiring, pay increase, transfer, etc., must be approved by the Governor. In fact, according to the State Comptroller's Division, no one from the Construction Division could be paid without the signatures of the Commissioner and the Governor. The Governor's signature has effectively inhibited a potential non-M.D.C. control — that of the state comptroller — of the use of funds. There is no attempt by the Comptroller's Division to determine that this kind of expenditure out of bond funds is within the intent of the bond authorization.

There would be less reason for criticism or argument with the administration if all of the appointees were, indeed, qualified or reasonably qualified to perform some useful function within the Construction Division. In practice however, many employees work outside the division and others lack qualifications. There are just too many cases of persons, holding jobs in the Construction Division solely on the basis of patronage.

PAYROLL PROCEDURE

All of the employees in the Construction Division are paid out of bond money. More specifically, they are paid out of the Additional Water Loan Act authorizations. It is these Acts which have essentially kept the Construction Division alive since 1947. As mentioned previously, these are the Acts which are pyramided upon prior Acts back through Chapter 375 of the Acts of 1926, the act that created the ancestor of the Construction Division.

Each year, the General Appropriation Act authorizes the transfer of funds into the Additional Water Loan Act account to repay the water account for services rendered to sewer, flood or other accounts. In reality, it is an administrative sham.²

¹Chapter 375, Acts of 1926.

²Chapter 514, Acts of 1972, the General Appropriations Act for fiscal 1973, authorized the transfer of funds from 18 sewer and flood control bond issue accounts to the Water System bond accounts Nos. 2429-7090 and 2429-7140 to compensate for the use of Construction Division personnel certified as having worked on the specific sewer and flood control projects.

Without waiting for passage of the General Appropriations Act and authorization of transfers, the State Comptroller permitted several such transfers during fiscal 1972 out of the Sewer Loan Act of 1970. It was the contention of the acting chief of the Comptroller's accounting section that since the sewer bond statute involved authorized the payments for "[e]ngineering and administrative expenses, including but not limited to, personnel," etc. it was a proper transfer to the Construction Division which furnished the personnel. However, without the specific transfer authorization, it would appear that the Sewer Division and not the Construction Division would have been required to employ the personnel needed and such personnel would either have had to be "03" non-employees (consultants) or Sewer Division employees whose permanent or temporary status required legislative approval.

Each month the Director of the Construction Division certifies what percentage of the time of his staff can be charged to other accounts. The division director tries to accomplish this on the basis of information that he has on hand. Time cards are kept for individuals, (i.e., "present" vs "not present").

However, no attempt is made to project-orient the time cards. It may be several months later that all this imprecise information is gathered and tabulated, and the chief engineer, or one of his staff, makes administrative judgments as to how much of a person's time will be charged to accounts outside the Construction Division. (This applies only to those working under the chief engineer. Others who are continuously employed outside the division, such as in the Commissioner's office, must depend upon someone else to sign their payroll.) When an individual is working full-time, for example, on a sewer project, the assignment of his salary to a sewer bond issue is a simple matter. Many Construction Division employees divide their time among several water and sewer projects and when that happens precision in apportioning charges suffers. The chief engineer during a particular month decided that exactly 50 percent of his salary should be charged to the Water District and he split the remainder in four parts of 12½ percent each among four sewer projects.

The implication is obvious. M.D.C. management lacks the controls needed to allocate costs to the proper bond issues and the management practices in operation obfuscate the accurate costs of sewer projects to water accounts. There is no attempt to project-account for any of the water projects, such as the chief engineer's effort to spread his salary over four sewer accounts.

BUDGET

The operations of the the Construction Division are financed from the proceeds of bond sales, the debt service of which is charged to the Water Division. It does not operate on a budget nor are any appropriations made to it by the General Court.

The Legislature and Governor have been lavish in approving Metropolitan District Additional Water Loan bond authorizations for the Construction Division of the Metropolitan District Commission. Since 1947 eight such bond authorizations have been approved as compared to three between 1926 and 1947.

Metropolitan Dist. Water Loan Act of 1950 Chapter 660	15,000,000
Metropolitan Dist. Water Loan Act of 1952 Chapter 619	7,000,000
Metropolitan Water Dist. Additional Loan Act of 1956 Chapter 685	20,000,000
Metropolitan Water Dist. Additional Loan Act of 1961 Chapter 522	10,000,000

Metropolitan Water Dist. Additional Loan Act of 1962 Chapter 654	10,000,000
Metropolitan Water Dist. Additional Loan Act of 1966 Chapter 564	11,500,000
Metropolitan Water Dist. Additional Loan Act of 1967 Chapter 669	25,000,000
Metropolitan Water Dist. Additional Loan Act of 1970 Chapter 766	25,000,000

The absence of a budget has some curious implications. For instance, there can be no job vacancies in the Construction Division in the customarily accepted sense, for jobs are created for specific persons not for the performance of specific duties. When an employee retires, he doesn't necessarily leave a "job vacancy" but he frees his salary for an unspecified purpose. Jobs are individually created. This gives the Commissioner a choice of action denied elsewhere in public service. Theoretically, when there is a job requiring a special expertise, the Commissioner can hire an expert without civil service delays and red tape and get the job done quickly. A look at some of the following positions created by the Commissioner since 1970 tells a different story; (All these are paid for out of water bond funds.)

Administrative Assistant
Administrative Assistant to the Commissioner
Administrative Engineering Assistant
Administrative Secretary
Executive Assistant to Commissioner
Junior Administrative Assistant
Chief of Maintenance and Supplies
Coordinator of Equipment and Supplies
Equipment and Supplies Coordinator
Director of Public Relations
Supervisor of Information
Photographer
Supervisor of Photography
General Counsel
Assistant Planner
Associate Planner
Associate Planner, Landscape and Design

The theory and the actual practice are somewhat incompatible. The employees occupying the above positions, while paid out of water bond funds, are all assigned outside the Construction Division.

CONSTRUCTION EMPLOYEES ASSIGNED TO THE COMMISSIONER'S OFFICE

The office of the M.D.C. Commissioner is budgeted for 69 full time, permanent positions, a number which has been relatively stable for several years. The salaries for these positions are paid out of funds contributed equally from the state Highway Fund and each of the M.D.C. Water, Sewer, and Parks Districts Funds.

Supplementing this career staff is a minimum number of 38 additional persons who are assigned to the Commissioner's personal staff from the Construction Division. The borrowed employees are non-civil service. They are paid out of water bond funds, funds which eventually must be paid, plus interest, by a limited number of constituents in the M.D.C. area: — the taxpayers in these cities and towns which purchase their water from the M.D.C. The burden of the salaries of those assigned to the Commissioner's personal staff is not assessed on the entire M.D.C. area.

There has been a remarkable growth in the number of persons that the present Commissioner has placed on the Construction Division payroll and assigned to the administration section of his own office since 1970. In 1969, in addition to authorized personnel, the Commissioner had "borrowed" eleven employees from the Construction Division with a payroll of \$2,134 per week. As of the end of January, 1973, the Commissioner's borrowed staff numbered thirty-eight with a payroll of \$9,456 a week. This is a growth of 245% in personnel count and 343% in salary cost.

A list of the number of positions with the position titles follow:

<u>NUMBER OF POSITIONS</u>	<u>TITLE</u>
6	Administrative Assistant to Commissioner
4	Administrative Assistant
3	Senior General Construction Inspector
3	Head Clerk
2	Senior Clerk and Typist
2	Head Administrative Clerk
2	Assistant Planner
2	Skilled Laborer
1	Laborer
1	Executive Assistant to Commissioner
1	Administrative Secretary
1	Administrative Engineering Assistant
1	Junior Administrative Assistant
1	Chief of Maintenance and Supplies
1	Coordinator of Equipment and Supplies
1	Divisional Coordinator
1	Supervisor of Information
1	General Counsel
1	Project Supervisor
1	Senior Engineering Aid
1	Senior Clerk/Typist
1	Principal Clerk
38	Total

A brief analysis shows that today, there are more titles with the words "administrative assistant" in them than there were total positions assigned to the Commissioner's office from the Construction Division in January, 1970, just prior to the present Commissioner assuming office.

The average annual salary of Construction Division employees assigned to the Commissioner's office is \$12,792. This figure is slightly higher than the average salary of those employees who actually work for the Construction Division.

The following are some curious items of interest concerning the above positions:

1. There are six positions called Administrative Assistant to Commissioner. The weekly salary paid to each as of the end of January, 1973, was \$253.15; \$306.75; \$358.65; \$337.10; \$372.80, and \$401.01. This corresponds to the following job grades and steps elsewhere in state service:

<u>AMOUNT</u>	<u>JOB GRADE</u>	<u>STEP</u>
\$253.15	19	2
306.75	21	4
337.10	22	5
358.65	24	4
372.80	24	5
401.10	24	7 Maximum

Under the state pay plan, one job title would have one job grade, not, as above, grades 19, 21, 22, and 24. The practice at the Metropolitan District Commission allows the Commissioner a great deal of discretionary authority. The fact of the matter is that the Commissioner of the M.D.C., with the approval of the Governor, has fiscal autonomy with respect to the salaries paid to employees of the Construction Division.

2. One of the duties of the Commissioner's office is supervision of the personnel function. The job description sheet attached to the resume of the Executive Assistant to the Commissioner for Planning and Administration, states that among his duties are the following:

- a) "Acts for the Commissioner as directed in the acquisition of personnel . . ."
- b) "Maintains the personnel records of the various divisions of the Commission."

This gentleman admitted that, for the thirty-eight employees in the administration section of the Construction Division, there were no personnel folders and that in most cases no resumes had been required. In contrast, it can be said that little or no difficulty was encountered by the staff members in obtaining personnel information in the other three sections (financial, right-of-way, engineering services) of the Construction Division.

3. Establishment of the position of General Counsel was asked for as a regular maintenance budget item for the Metropolitan District Commis-

sion. The Legislature refused the request. In spite of this, the position was established by the Commissioner in the Construction Division, is paid for out of water bond funds, and the incumbent has been assigned to the administrative section of the Commissioner's office.

4. In response to a request from the Post Audit and Oversight Bureau for a resume for each employee of the administration section of the Construction Division whose rate of pay was comparable to that of an employee in the classified state service in grade 13 or above, the Commissioner's administrative secretary and his executive assistant for administration and planning stated that such resumes were not readily available. In fact, only four resumes were produced immediately. And these were produced only after a staff member of the Post Audit Bureau attended a meeting requested by the Commissioner who inquired as to the purpose of the request. It was not until more than two months later that resumes were produced for all 27 employees who fell into the category outlined.

Some of the positions occupied by Construction Division employees in the Commissioner's office may fulfill legitimate functions. If they do, they should be authorized by the Legislature and the salaries for them budgeted. However, it cannot be argued that such positions can legitimately be charged to water bonds exclusively. The water users in the metropolitan district are already paying 25 percent of the cost of that office and they should not be required to further subsidize the salaries of persons who are performing services for other M.D.C. districts or for the Commissioner personally. The ultimate cost of the present staffing pattern of the Construction Division defies justification. For instance, the General Counsel referred to in Item 3 above receives a salary of \$457.60 a week, or \$23,795.20 a year. The ultimate cost to the taxpayer, however, based on the most recent interest rate established for bonds needed to finance his salary is \$924.34 a week or \$48,066.30 a year.

RIGHT OF WAY SECTION

This section of the Construction Division has increased from a personnel count of eleven as of January, 1970, to a total of fourteen, as of January, 1973. The payroll has grown from \$2,129.50 per week to \$3,230.83. This represents a 27% increase in the number of employees and a 51% increase in payroll.

The right of way section is responsible for all land takings and acquisitions by the Metropolitan District Commission, whether for the sewer, parks or water divisions. It is responsible for appraisals, title searches and negotiations on land takings. On the Dorchester

tunnel alone there were over 400 parcels that had to be searched, etc. In addition, the section is responsible for investigating complaints of encroachments and trespassings.

The section is also required to attend hearings when the Metropolitan District Commission is an interested party. There is no overtime or compensatory time off allowed, according to the Director. A review of the minutes of the meetings of the Metropolitan District Commission indicates that the Director is also required to draw up many other legal instruments that are required by the Commission.

A list of the number of positions and position titles follows:

RIGHT OF WAY SECTION

NUMBER OF POSITIONS	TITLE
6	Senior Right of Way Negotiator
2	Principal Right of Way Negotiator
1	Head Administrative Clerk
1	Motor Equipment Repair Foreman
1	Chief Right of Way Representative
1	Chief Administrative Clerk
1	Director, Right of Way
1	Administrative Assistant
14	Total

It is noted that four people, one of whom is the Director, possess a law degree.

The average annual salary of the 14 employees is \$11,960.

Why are the right of way people paid out of water bond funds? The rationale used by the administration is that some of their work deals with takings for water tunnels, etc. The organization chart of the M.D.C. belies this rationale because the Right-of-Way Division is shown thereon as an integral part of the administration section of the M.D.C.

It costs the taxpayer of the Metropolitan Water District, who ultimately must pay the bill, not the \$168,002.16 which is the salary that these men collect each year from the Metropolitan District Commission, but \$336,684.36 which represents the salary plus the interest for carrying that salary for the life of the bond.

FINANCIAL SECTION

The financial section has currently the same number of Construction Division employees that it had in January, 1970. The weekly payroll has grown from \$1,801.60 in 1970 to \$2305.25 in January, 1973. This represents zero growth in personnel and 28% in payroll costs.

The average annual salary of Construction Division employees in this section is \$7,853.

The financial section augments the regular financial staff of the Metropolitan District Commission. The claimed justification for their salaries being paid from water bond funds is that some of their work involves the processing of vouchers paid from such funds. The organization chart of the M.D.C. belies this claim also.

A list of the number of positions and the position titles follows:

FINANCIAL SECTION

<u>NUMBER OF POSITIONS</u>	<u>TITLE</u>
6	Principal Clerk
2	Head Clerk
2	Statistical Machine Operator
1	Junior Clerk/Typist
1	Senior Bookkeeper
1	Senior Clerk
1	Senior Clerk/Typist
1	Director of Public Relations
<u>15</u>	Total

ENGINEERING SERVICES SECTION

In January, 1970, the engineering services section had 158 employees and a payroll of \$32,938.50 per week. As of the end of January, 1973, the number of people had grown to 200 and the weekly payroll had increased to \$47,268.05. This represents a growth of 28.5% in the number of personnel and a growth of 43.5% in payroll costs. The average annual salary in the section rose to \$12,168.

This section is charged with the responsibility of designing water supply projects and supervising the construction thereof. It does not engage in the actual construction of the projects. A list of the number of positions and the position titles follow:

CONSTRUCTION DIVISION — ENGINEERING SERVICES

<u>NUMBER OF POSITIONS</u>	<u>TITLE</u>
42	General Construction Inspector
22	Senior General Construction Inspector
11	Tunnel Inspector
12	Contract Engineer
12	Senior Engineering Aide
12	Assistant Civil Engineer
8	Senior Tunnel Inspector
9	Senior Civil Engineering Draftsman
8	Junior Civil Engineer
6	Junior Engineering Aide
6	Senior Civil Engineer
6	Principal Engineer
5	Unclassified as of 1/31/73
3	Project Supervisor

<u>NUMBER OF POSITIONS</u>	<u>TITLE</u>
3	Principal Sanitary Engineer
2	Head Construction Engineer
2	Junior General Construction Inspector
2	Design Engineer
2	Head Administrative Clerk
2	Head Clerk
2	Junior Sanitary Engineer
2	Laborer
2	Administrative Assistant
2	Administrative Secretary
2	Junior Electrical Engineer
1	Chief Engineer
1	Administrative Engineer
1	Assistant Mechanical Engineer
1	Motor Equipment Repair Foreman
1	Chief Administrative Clerk
1	Assistant Structural Engineer
1	Associate Planner
1	Associate Planner, Landscape & Design
1	Building Construction Plans and Specifications Engineer
1	Director of Design Engineering
1	Photographer
1	Supervisor of Photography
1	Supervising Electrical Engineer
1	Senior Mechanical Engineer
<u>1</u>	Senior Accountant
200	Total

According to the engineering services section, eleven of the above people hold professional registrations as engineers and land surveyors, nineteen people hold professional registrations as engineers and two people hold professional registrations as land surveyors, a total of thirty-two people holding professional ratings.

In response to a request by the Post Audit Bureau, a "Tabulation of all design projects worked on by the engineering division for the calendar years 1969-1972", and a "Tabulation of all Construction Projects worked on by the Engineering Division for the calendar years 1969-1972", was produced.

A synopsis of this information follows:

TABLE 8

CONSTRUCTION PROJECTS*

	<u>UNDER CONSTRUCTION</u>		<u>COMPLETED DURING THE YEAR</u>	
	Number of Projects	Total Value	Number of Projects	Total Value
1969	12	\$48,709,342.74	10	\$22,542,452.74
1970	16	43,956,849.49	7	3,217,391.57
1971	11	44,479,324.80	4	9,725,778.40
1972	19	39,327,940.68	7	4,836,822.18

*See Appendix B

DESIGN PROJECTS**

	<u>Number of Projects</u>	<u>Estimated Value</u>
1969	6	\$33,371,000.00
1970	11	11,061,275.00
1971	9	6,998,330.00
1972	23	117,277,153.00

**See Appendix C

In an effort to ascertain the nature of the elements used to quote actual and estimated values in the M.D.C. tables, and to determine if these values were accurate, the Post Audit and Oversight Bureau sent a letter dated February 7, 1973 to John W. Sears, Commissioner of the Metropolitan District Commission (See Appendix D). The letter requested the legislative authorization, the nature of work performed, the contract reference numbers, the project start and completion dates, and the cost of six selected projects from the list supplied by the M.D.C.

One week later, the Post Audit and Oversight Bureau was advised by the Chief Engineer of the Construction Division that some of the information requested was impossible to gather. The Bureau replied that it would appreciate receiving whatever information was

ascertainable, together with a statement as to the reason the other information requests could not be complied with.

On April 17, more than two months after the request for information was sent to the Commissioner, the Post Audit and Oversight Bureau received a reply (See Appendix E). This was in the form of a hand-delivered letter and it has been noted that this letter was dated March 5, 1973, six weeks prior to date of delivery.

The Commissioner, in his reply, claimed inability to provide the Bureau with a definitive breakdown of the cost for each of the six projects. In each case, he stated, "The accounting system mandated by the State Comptroller is of such a nature that the readily obtainable object code breakdown can only be approximated at this time with the personnel currently available. A more definitive breakdown would require several weeks to accomplish."

It was apparent that the Commissioner was not in a position to begin to establish costs for water, sewerage or flood control projects on a project-by-project basis, least of all for the apportionment of the cost of "00" employees.

CONSTRUCTION DIVISION PAYROLL

On January 31, 1973, there were 267 persons on the payroll of the Construction Division of the Metropolitan District Commission, all being paid out of water bond funds. (See Appendix F).

Because of a peculiarity of the bookkeeping system of the commonwealth, personnel of the Construction Division are classified on the records as "00" employees. Their positions are not subject to legislative approval, their salaries are not budgeted or appropriated, they are exempt from state personnel and civil service regulations, and, since they are paid out of bond funds, their salaries and fringe benefits are assessed twice over on the cities and towns which pay the M.D.C. bills. Twenty, thirty, or even forty years from now taxpayers in the 32 cities and towns of the Metropolitan Water District will still be paying the bill not only for water supply projects but for current salaries as well. Some bonds floated to pay these salaries will fall due as far distant as the year 2020 and interest charges paid will have been greater than the face value of the bonds sold.

The "00" employee holds an unclassified position established by the Commissioner, with the approval of the Governor, and which is outside the purview of the Division of Civil Service and the Bureau of Personnel.

More familiar are the so-called "01" permanent state employee, the "02" temporary employee, and the "03" consultants. Within the M.D.C., the "00's" are carried on the books as permanent employees but there is no support for this in-house action. There is evidence

that the proper definition is that of temporary employee, which was the condition stipulated for the earliest Construction Division employees when the division was established and the temporary employees of the Metropolitan District Water Supply Commission were transferred to it in 1947.¹

In 1948, when employees who had been so transferred were "frozen" into permanent jobs with the M.D.C. Water Division,² the Construction Division survived and continued as the locus for persons who, for one reason or another, remained outside civil service. The M.D.C. has the authority to request civil service examinations for these employees but has never deigned to do so.

There are no entrance requirements for employment in the Construction Division other than that such employment must be approved by the Commissioner and the Governor.

There are no educational, civil service or age qualifications required for employment. Theoretically, salaries of employees within the division are slotted into the salary scales of state employees, which scales are written into the law, but there is nothing to prevent the placement of a new employee anywhere within that salary scale and at any grade or step-rate that the Governor and the M.D.C. Commissioner agree upon. Recent history has shown, moreover, that salary increases for such employees are similarly without restriction. Thus a new employee can be recruited at the top salary in one job grade and can be moved forwards or

¹ Section 2 of Chapter 583, Acts of 1947, reads as follows:

"Except as provided in section three, all of the persons employed on the effective date of this act by the metropolitan district water supply commission shall be transferred as temporary non-civil service employees, without loss of any rights, to a division of construction which the commissioner of the metropolitan district commission is hereby authorized and directed to establish under said commission; and the persons so transferred shall not be subject to the provisions of chapter thirty-one of the General Laws, or the rules made thereunder."

² Chapter 635, Acts of 1948

backwards within the scale at the discretion of the Commissioner. Through devices which have accumulated over the years — such as, the absence of qualifying examinations, the omission of the division from the annual state appropriation laws, and the payment of wages out of borrowed money — the Construction Division stands as the rare agency outside the field of higher education which has what can be termed “full fiscal autonomy”.

The Post Audit and Oversight Bureau was unable to develop any firm pattern for the hiring practices of the division or the fixing of wage rates for those employed. The administrative section of the Construction Division had 11 persons on its payroll when the present M.D.C. commissioner took office in February, 1970. Three years later, this payroll had grown to 38 individuals being paid out of bond funds. Some of the individuals within the group in that period enjoyed unusual grade and salary increases. Today, 15 of the 38 in the administrative section carry titles such as “administrative assistant,” “administrative assistant to the commissioner” or “executive assistant to the commissioner”. No previous M.D.C. commissioner was personally assisted by such a vast number of aides paid for out of a single division within the commission. Salaries of these “assistants” ranged from \$12,591.80 a year all the way to \$23,795.20 a year. The necessity for 15 such assistants, or four more persons than were employed in the entire administrative section three years ago, is open to serious question.

PERSONNEL PROCEDURES

The “Schedule and Description of Subsidiary Accounts”, a publication cooperatively drafted by the Legislature and the Executive Department and defining a numerical code system for the control of state expenditures, makes no mention of an “00” employee. However, every other type of expenditure has a classification code number. Thus, the expenditure for the salary of an “01” employee would be under the object code number “101”, which is defined as follows:

“101” Permanent Employees: All regular salary for permanent positions filled by permanent employees.”

The permanency of both the position and the employee must be present for the proper application of the code number. Only the Legislature can establish permanent positions. Employees may obtain permanency or tenure in a variety of ways, all of which are spelled out by statute.

Persons who are paid out of bond funds by the Metropolitan District Commission do not fill permanent positions. The positions they occupy are of a temporary nature and are not reviewed by the Legislature through the budgetary process. In fact, there is no budgetary control over the temporary “00” employees being paid out of water, sewer, pollution control or flood control bonds of the M.D.C. Despite this absence of “permanent” bond fund positions, the M.D.C. unilaterally classifies more than 250 temporary workers as permanent and pays them under the “101” object code. The commission elsewhere accepts the temporary nature of the “00” jobs in its own literature.³

Many of the division employees have been on the M.D.C. payroll for 10 years or more, working on a series of projects, each with a limited life. Others on the payroll obviously hold interim or limited jobs and have been sent to the agency by the Governor’s office and approved by the Commissioner. Frequently, assigned duties have no relation to the projects under the control of the Construction Division and it is not uncommon to find, for example, a person being paid out of a water bond fund being assigned to inspect skating rinks or as a supervisor of sport fishing.

When assigned by the Commissioner to work for an M.D.C. division other than the Construction Division, “00” temporary employees frequently are filling job slots which the Legislature intended for permanent employees. In other cases, such outside work is in defiance of the General Court, as when a requested new position is rejected by the Legislature and nonetheless is created by the Commissioner out of bond funds.

“00” JOB CLASSIFICATIONS

There are 107 job classifications for the 267 employees in the Construction Division. Twenty-eight of these were created within the last two years only after the Commission was told by state fiscal officers that all employees must be so classified for payroll purposes. The validity of some titles is questionable. In creating the latest 28 titles, the commission didn’t bother to check previous job titles with the result that job title “coordinator, equipment and supplies” is listed as position “00-124”, “coordinator of equipment and supplies” is “00-160” and “equipment and supplies coordinator” is “00-163”. Similarly, “00-125” and “00-164” are, respectively, “executive assistant to the commissioner” and “executive assistant of commissioner”.

Many of the job titles are presently unused, but nothing has been done to delete them from the personnel list.

³ “Condensed History of the Metropolitan District Commission”, dated March 28, 1972.

The M.D.C. has not taken seriously the job titles which it has assigned to "00" employees. It is not unusual for an "00" employee to have more than one job title, one for payroll purposes and a second to indicate what his duties with the commission are supposed to be. The "director of parks and recreation division", a title which doesn't exist so far as the payroll is concerned, is held by one of the more successful of the recently hired, an individual who is also classified as "chief of maintenance and supplies".

TABLE 9
JOB GROUP TITLES AND NUMBERS
M.D.C. CONSTRUCTION DIVISION
January 4, 1973

00-002	Investigator of Claims	00-092	Senior Geologist
00-003	Junior Investigator	00-093	Assistant Chief Engineer
00-004	Junior Tunnel Investigator	00-094	Assistant Civil Engineer
00-005	Investigator	00-095	Assistant Mechanical Engineer
00-006	Coordinator and Liaison Officer	00-096	Assistant Right of Way Representative
00-007	Claim Inspector	00-097	Associate Civil Engineer
00-009	Assistant Right of Way Agent	00-098	Associate Sanitary Engineer
00-010	Head Construction Engineer	00-099	Head Administrative Clerk
00-011	Senior Architectural Engineer	00-100	Head Clerk
00-012	Chief Engineer	00-101	Junior Civil Engineer
00-013	General Construction Inspector	00-102	Junior Clerk and Stenographer
00-015	Administrative Office Manager	00-103	Junior Clerk and Typist
00-016	Deputy Chief Engineer	00-104	Junior Engineering Aide
00-018	Geologist	00-105	Junior Sanitary Engineer
00-024	Right of Way Engineer	00-106	Laborer
00-025	Building Inspector	00-107	Motor Equipment Repair Foreman
00-026	Right of Way Representative	00-108	Principal Clerk
00-027	Right of Way Agent	00-109	Principal Clerk and Secretary to Department Head
00-029	Claim Adjustor	00-110	Principal Statistical Clerk
00-030	Principal File Clerk	00-011	Senior Bookkeeper
00-031	Business Agent	00-112	Senior Civil Engineer
00-032	Clerical Supervisor	00-113	Senior Civil Engineering Draftsman
00-033	Senior Tunnel Inspector	00-114	Senior Clerk
00-049	Administrative Engineer	00-115	Senior Clerk and Stenographer
00-050	Supervisor of Records	00-116	Senior Clerk and Typist
00-054	Junior Administrative Clerk	00-117	Senior Electrical Engineer
00-055	Assistant Public Relations Officer	00-118	Senior Engineering Aide
00-056	Chief of Survey Party	00-119	Senior Sanitary Engineer
00-057	Clerk of the Works	00-120	Skilled Laborer
00-088	Junior General Construction Inspector	00-121	Engineer Coordinator for Interdivisional Affairs
00-089	Tunnel Inspector	00-124	Coordinator, Equipment and Supplies
00-090	Designing Engineer	00-125	Executive Assistant to the Commissioner
00-091	Mechanical Engineer	00-131	Chief Right of Way Representative
		00-132	Assistant Chief Right of Way Representative
		00-133	Right of Way Negotiator
		00-134	Divisional Coordinator
		00-136	Sanitary Engineer
		00-137	Contract Engineer
		00-138	Principal Civil Engineer
		00-139	Principal Electrical Engineer
		00-140	Principal Sanitary Engineer
		00-141	Chief Administrative Clerk
		00-142	Senior General Construction Inspector
		00-146	Director of Right of Way
		00-150	Administrative Assistant

00-151	Administrative Assistant to Commissioner
00-152	Administrative Engineering Assistant
00-153	Administrative Secretary
00-154	Assistant Planner
00-155	Assistant Structural Engineer
00-156	Associate Planner
00-157	Associate Planner, Landscape and Design
00-158	Building Construction Plans and Specifications Engineer
00-159	Chief of Maintenance and Supplies
00-160	Coordinator of Equipment and Supplies
00-161	Director of Design Engineering
00-162	Director of Public Relations
00-163	Equipment and Supplies Coordinator
00-164	Executive Assistant of Commissioner
00-165	General Counsel
00-166	Junior Administrative Assistant
00-167	Junior Electrical Engineer
00-168	Photographer
00-169	Principal Right of Way Negotiator
00-170	Project Supervisor
00-171	Senior Accountant
00-172	Senior Mechanical Engineer
00-173	Senior Sanitary Engineering Aid
00-174	Senior Right of Way Negotiator
00-175	Statistical Machine Operator
00-176	Supervisor of Information
00-177	Supervisor of Photography
00-178	Supervising Electrical Engineer

PERSONNEL HISTORIES

When a request was made of the Commissioner's Administrative Secretary and the Commissioner's Executive Assistant for Administration and Planning for a resumé for each employee of the administration section of the Construction Division whose rate of pay was comparable to those employees in the classified state service in Grade 13 or above, the Post Audit Bureau was advised that this information was not available on all such employees. It was two months before resumé were supplied for the twenty-seven employees who fell into the above-indicated category. The range of salaries for this group was from \$8,500 a year to \$23,000 a year.

The following are among those included in that group:

Employee 32005. This employee, who is classified as the Executive Assistant to the Commissioner for

Administration and Planning, has a variety of governmental experience. He served for several years as a member of the House of Representatives from the Back Bay District of Boston and for a period of time as Executive Secretary to the Wellesley Board of Selectmen. In addition, he served, from 1969 to 1971, as Project Director and Liaison Officer, Modernizations Systems Unit, Massachusetts Executive Office for Administration and Finance. In this capacity, he served as the "Chief of Program Management Systems (PMS)" staff.

Part of his duties at the M.D.C. as set forth in the job description sheet attached to his resumé, are the following:

- "(a) Acts for the Commissioner as directed in acquisition of personnel."
- "(b) Maintains the personnel records of the various divisions of the Commission."

The Executive Assistant admitted that, for the 38 employees of the administration section of the Construction Division, there were no personnel folders and that, in most cases, no resumé had been required prior to hiring.

This employee is paid out of water bond funds at a salary of \$23,253 per year.

Employee 50220. An analysis of the organizational flow chart or table of organization for the top level management and administration of the M.D.C. raises questions as to the propriety of using Construction Division personnel, whose salaries are paid from water bond funds, to fill positions which are in the classified state service. In the case in point, there exists a permanent position within the M.D.C. Parks Division entitled "*Park Director*", which is a Grade 27 position with a salary range of \$18,756-\$23,795. This position has remained vacant since April 8, 1972. According to a spokesman for the Division of Personnel, the reason given by the M.D.C. for failing to fill this vacancy is that nobody qualified for this position is willing to accept it at its present starting salary of \$19,000 per year.

To resolve this situation, the Commissioner has designated an employee of the Construction Division as the "*Director of Parks and Recreation*" and has assigned him to perform the duties of the Park Director. The filling of this position with a person whose salary is paid from Construction Division bond funds is not only outside the scope of the personnel limitations of the bond authorization itself, but it also permits the Commissioner to hire a person totally devoid of qualifications and background in the field of parks and recreation. It likewise allows the freezing of monies in the

"01" account (salaries permanent positions) within the Metropolitan Parks District maintenance account for transfer to other subsidiary accounts. During Fiscal Year 1972, nearly \$1,000,000 was transferred out of this "01" account to various other subsidiary accounts.⁴

This employee, who serves by the Commissioner's fiat as Director of Parks and Recreation, is an employee of the Construction Division with the official title of "Chief of Maintenance and Supplies", which he still retains. His employment record indicates a remarkable success story. He first appeared on the Construction Division payroll in July, 1970, as an *Administrative Assistant to the Commissioner* (Grade 19 — Step 4) at a salary of \$12,940 per year. In the course of two years and two months, he has received three promotions and currently, according to his letter of promotion which was approved by the Governor, is the *Chief of Maintenance and Supplies for the Construction Division* (Grade 27 — Step 4) at a salary of \$21,276 per year.

An analysis of the duties of the Park Director, as approved by the Division of Civil Service, as related to the resumé of the incumbent of the position of Director of Parks and Recreation, shows total incompatibility. There can be no doubt that this employee would be ineligible to compete for the classified position of Park Director. The fact remains, however, that he is charged with the performance of the duties of that position and is compensated at a rate much higher than the starting salary for this position. In addition, the taxpayers in the Water District, not the Parks District, are paying his salary.

Employee 67006 and 22328. Other employees of the Construction Division paid out of bond funds include those in the correspondence and public information section. Employee 67006 serves as the M.D.C. liaison officer to member cities. Employee 22328, a former major league baseball player, served until recently as liaison with the towns. Whether the cities and towns were within the Water District or whether the service to the communities involved other M.D.C. divisions was not taken into consideration in paying the salaries of the two men. Water users paid the entire cost. The salaries of the two were \$12,591.80 a year and \$11,278.80 a year, respectively. For payroll purposes they were listed as an administrative assistant and a senior general construction inspector.

Employee 61617. Also assigned to the correspondence and public information section from the Construction Division is this employee, a former member of the Boston School Committee, who is classified as an *Administrative Assistant to the Commissioner* at \$13,207.50 per year. In addition, the M.D.C. hires "03" consultants to assist in its public information program.

Employee 24700. This employee, a former Worcester County legislator, serves as the Director of Personnel and is paid as an *Administrative Assistant* out of water bond funds at a salary in excess of \$20,000 per year. He admits to being unknowledgable about other Construction Division employees, and his duties involve the employment of persons in other areas of the M.D.C. which are financed by budget appropriations.

Employee 01806. The Assistant to the Director of Personnel and also an administrative assistant, although on the staff only since December 1970, handles appointments and promotions in the Construction Division. In his period with the M.D.C., his salary has risen 26.5 per cent, from \$13,885.00 a year to \$17,529. a year.

Employee 77100. Within the Parks and Recreation Division is the "Sport Fishing Division" which, although only tenuously connected with the metropolitan water supply system, is supported entirely by the cities and towns in the Water District. At the time of this study, the director of the Sport Fishing Division was an employee whose resume said he spent 20 percent of his time supervising fishing in M.D.C. ponds; another 20 percent supervising the Castle Island Fishing Pier and various saltwater fishing beaches; another 10 percent selecting proper fishing sites along rivers; the same percentage of time on public relations; and 40 percent of his time supervising office management. His payroll classification is project supervisor.

The salary of the director of Sports Fishing is \$16,023.80 a year. He has an assistant who is a former assistant planner of the City of Lynn (Employee 62502) who receives \$10,342.80 and a former Medford constable (Employee 13816) who receives \$8593 a year.

Employee 98913. Another key employee in the administration section of the M.D.C. who is being paid out of bond funds floated for *water projects*, is the

⁴ The salary of a park director was only one of many freed by the failure to fill positions approved by the Legislature. During fiscal 1972, \$997,500 was transferred out of the "01" — permanent employee account and an additional \$167,000, out of the "02" — temporary employee account and spent for other purposes than personnel. None of this money was transferred to the Water Division fund to compensate for salaries of the "director of parks and recreation" or any other Construction Division employee who worked on parks projects.

"General Counsel." This position was created by the Commissioner despite the fact that the Legislature rejected a request for its establishment.

The occupant of the position is a former Assistant Attorney General who served as Chief of the Contracts Division of that office during the years 1966-1969 under Attorneys General Edward W. Brooke and Elliot Richardson. In October, 1969, he was appointed as Chief Counsel for the Department of Community Affairs. He held this position until April, 1970, when he was appointed to his present post. His official resumé with respect to his duties, states that he advises and assists the Commissioner and division heads "in the discharge of the duties imposed upon the Commission by law in the areas of administration, finance, sewerage, water construction, engineering, recreation and law enforcement." He also serves, according to his own statement, as liaison to the Ways and Means Committee of the Legislature. This is the same Committee which refused to create the position he now holds.

Although only a small fraction of his time is spent on Construction Division business, his entire salary of \$23,795.20 per year is paid out of water bond funds.

Employee 67121. A failure of the payroll section of the M.D.C. to agree with the Governor's appointment office is indicated in the case of this employee. In his letter of appointment from the Chief Executive, and among his associates, the employee is known as "director of labor relations", a job title which doesn't appear on the official position roster. The payroll of the finance section in the Commissioner's office lists him as "director of public relations" and his salary at \$14,214 a year.

Although this salary is charged to the Additional Water Loan Act of 1967 and paid for by cities and towns which purchase water from the commission, the employee admits that his duties run the gamut of M.D.C. subdivisions. His assignment is to negotiate labor agreements for the commission with employees of all M.D.C. unions. He represents the commission before the Labor Relations Board and the Personnel Appeals Board. An unofficial estimate was that he spent 90 percent of his time dealing with police and organized commission employees.

Employee 22334. Although his salary from water bonds is only \$11,770 a year, this "progress officer" has received pay increases of 29 percent in two years. His duties consist of inspecting skating rinks and swimming pools, which are outside the jurisdiction of the Construction Division.

Employee 46811. Another on the general inspection force is this employee who is paid \$15,077 a year

out of water bond funds in his capacity of "administrative assistant" in the Commissioner's office. His pay has been increased 25.9 percent in 2½ years.

Employee 73810. Still another inspector, who is listed as a "special assistant to the commissioner for engineering", is paid at the same rate as the preceding employee. Like the others, he is paid out of water bond funds.

Employee 18200. This employee is classified as a "divisional coordinator" and his duties include assignments with all segments of the M.D.C. He is a former member of the Commission and his salary, \$18,881 per year, is paid out of Construction Division bond funds.

Employees 50511 and 85100. These two employees are classified, respectively, as "Administrative Assistant to the Commissioner" and "Executive Assistant to the Commissioner". They are engaged, according to their records, in modernizing the M.D.C. management system. The former is paid \$19,385 a year and the latter, \$15,951. Although the modernization work is not confined to the Construction Division, their salaries are paid from water bond funds.

Employee 61771. This person is classified as "Coordinator of Equipment and Supplies" and his annual salary is \$14,682. Although his duties are not confined to water projects, his salary is paid from water bond funds.

Employees 73014 and 88605. The salaries of these two employees are \$12,261.60 per year and \$12,425.40 per year, respectively. Their duties are in the environmental planning area but they are compensated out of water bond funds.

Employee 28629. "Planners" are being compensated both out of water bond funds and through the use of the "03" consultant payroll. In the former group is this \$18,205 a-year landscape planner.

Employee 83920. Yet another Construction Division employee with a non-water connected assignment is the former administrative secretary to the Commissioner when he was Sheriff of Suffolk County. She joined the M.D.C. payroll as "head administrative clerk" at \$9713 per year in 1970 and has risen to the position of "administrative secretary" at \$12,885 a year in the space of two years and six months.

A common factor in the preceding histories is that the employees are employed in the administration section of the Commissioner's office and not in the Construction Division. Their salaries, however, are all

charged to account #2429-7090, which is the expenditure account set up by the Executive Department for Metropolitan Water District Additional Loan, Act of 1967. The average interest rate on the bonds which are floated to keep his bond fund fluid is 4.8 percent. The average life of the same bonds is 50 years. At this rate, the salaries of persons on the Construction Division payroll will eventually cost the water users in the metropolitan district at least double the salaries cited above in repayment of principal and interest. The salary of the "General Counsel" for example, which is currently \$23,795 a year, if it continues to be paid out of the water bond account, will have cost the member communities at least \$46,590 for each year he is on the payroll. The same doubling of costs applies to all employees in the Construction Division.

EMPLOYEE PROFILE

Utilizing electronic data processing facilities, the following information was obtained to develop a "profile" of the 267 persons on the Construction Division payroll during the month of January, 1973.

The highest salary paid to a full time employee was \$504.00 a week and the lowest, \$110.85.

Since January 1, 1970, pay increases for employees of the division ranged from \$160.30 a week down to \$8.45 a week. Sixteen employees received increases greater than \$90.00 a week and four received more than \$100.00.

On a percentage basis, pay increases over the January 1, 1970-January 31, 1973 period ran from 7.7% to 71.4%. (Cost of living increases for state employees during this period totalled 10.558%.) Fifty-six employees — more than 20% of the work force — received pay increases of greater than 30 percent during the period. The five largest increases percentage-wise were 71.4%, 68.0%, 65.8%, 64.4%, 53.6% and 52.4%.

Position titles and salaries did not jibe in many areas. While salaries were slotted to fit into the state pay scale (Chapter 30, Section 46 as amended by Chapter 811 of 1972), it was not unusual to have a single position title extend over several grade scales. Thus, a construction engineer might be paid anything from the salary established for Grade 22, fourth step, to Grade 24, seventh step. (see below)

Of the 107 position titles approved by the Executive Department for use by the M.D.C. Construction Division,

only 65 were currently used. Four employees were classified as "P" or professional employees although this is not a classification approved for the Construction Division. Another five individuals were still being paid without classification numbers, despite rules to the contrary.

INCOMPATIBLE TITLES

There is a confirmed pattern of indifference in the assignment by the Commissioner of salary scales to job titles within the Construction Division.

As of the date of the salary electronic printout, two individuals were still unclassified, i.e., they were carried on the payroll as "00000" employees, neither classified as permanent nor temporary. Salaries of these employees ranged from the equivalent of a second year principal clerk in the state service Grade 9 through the second step of Grade 21, the equivalent of M.D.C. business agent.

Head Construction Engineers were paid anywhere from the fifth step of Grade 22 through the fourth step of Grade 27.

General Construction Inspectors, from the beginning step of Grade 13 through the top step of Grade 14.

Designing Engineers from the fourth step of Grade 24 through the fourth step, Grade 26.

Senior Clerk Typist, from the fourth step, Grade 06, through the fourth step, Grade 12.

Contract Engineer, from the fourth step, Grade 22, through the top salary, Grade 24.

Administrative Assistant, from the fifth step, Grade 14, through the sixth step, Grade 17.

Administrative Assistant to Commissioner, from the second step, Grade 19, through the seventh step, Grade 24.

Administrative Secretary from seventh step, Grade 15, through the sixth step, Grade 16.

Assistant Planner, from second step, Grade 15, through second step, Grade 18.

METROPOLITAN DISTRICT COMMISSION CONSTRUCTION DIVISION PAYROLL
POSITION TITLE & SALARY RANGE

POSITION CODE	POSITION TITLE	NUMBER	WEEKLY SALARY
00010	Head Construction Engineer	1 @	337.10
		1 @	409.15
00012	Chief Engineer	1 @	465.75
00013	General Construction Inspector	1 @	168.70
		6 @	175.00
		8 @	181.30
		2 @	187.60
		5 @	193.90
		2 @	200.20
		17 @	206.50
		1 @	223.40
00033	Senior Tunnel Inspector	1 @	229.80
		3 @	238.80
		1 @	247.80
		3 @	256.80
00049	Administrative Engineer	1 @	504.00
00088	Jun. General Construction Inspector	2 @	172.45
00089	Tunnel Inspector	2 @	186.65
		1 @	201.35
		3 @	208.70
		1 @	216.05
		5 @	223.40
00090	Designing Engineer	1 @	358.65
		1 @	391.65
00094	Assistant Civil Engineer	1 @	211.80
		2 @	238.80
		1 @	247.80
		8 @	256.80
		1 @	259.35
00095	Assistant Mechanical Engineer	1 @	256.80
00099	Head Administrative Clerk	1 @	67.48
		1 @	175.00
		1 @	200.20
		1 @	215.00
		1 @	223.05
00100	Head Clerk	3 @	148.30
		2 @	153.95
00101	Junior Civil Engineer	1 @	159.60
		1 @	182.20
		2 @	194.00
		1 @	201.35
		3 @	208.70
00103	Junior Clerk and Typist	1 @	223.40
00104	Junior Engineering Aide	1 @	110.85
		4 @	130.80
		1 @	140.00
00105	Junior Sanitary Engineer	1 @	149.20
		1 @	179.30
		1 @	186.65
00106	Laborer	3 @	120.55
00107	Motor Equipment Repair Foreman	1 @	121.60
		1 @	192.85

Metropolitan District Commission Construction Division Payroll
Position Title & Salary Range (continue)

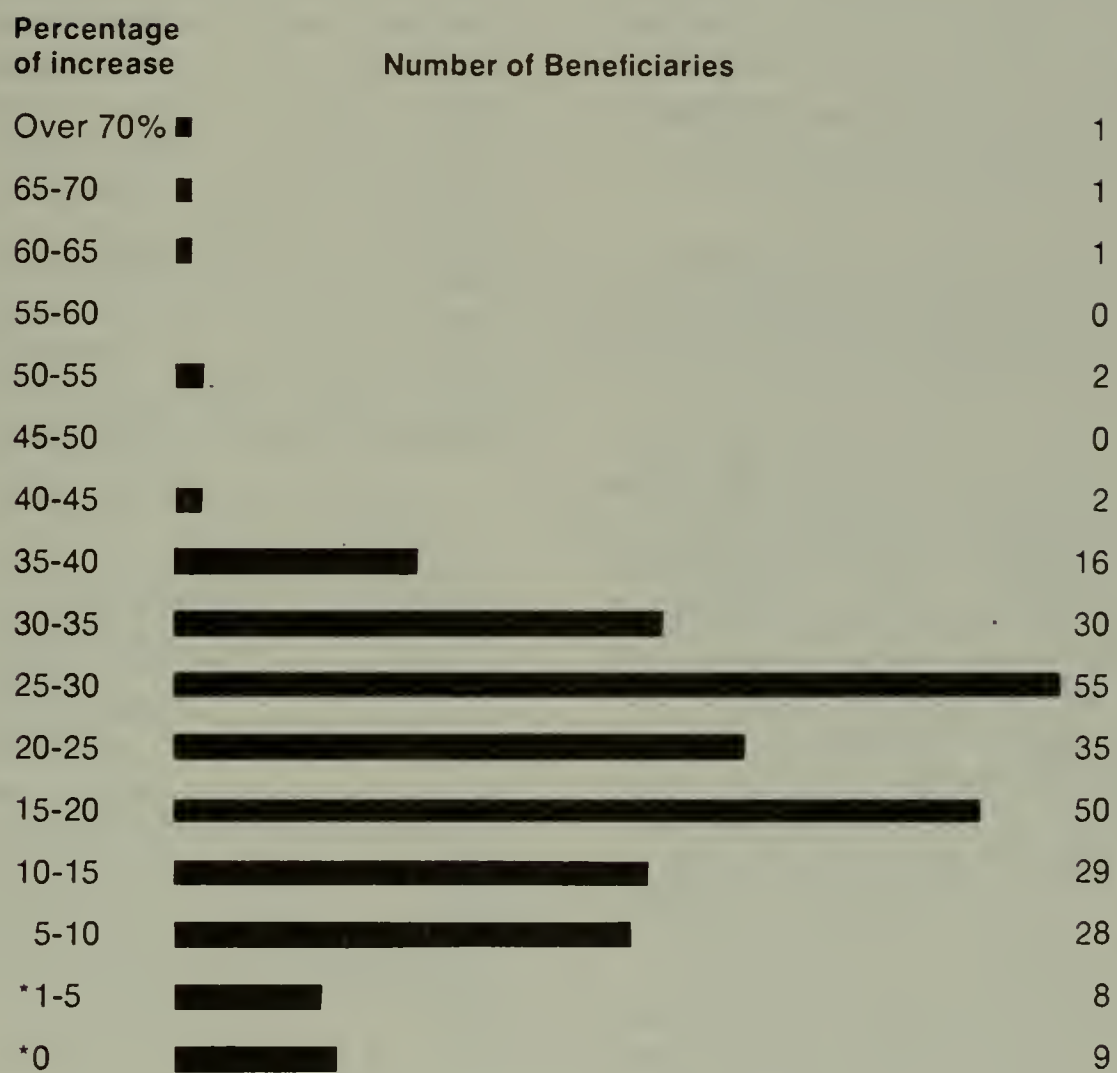
POSITION CODE	POSITION TITLE	NUMBER	WEEKLY SALARY
00108	Principal Clerk	1 @	106.84
		1 @	133.55
		1 @	143.35
		2 @	158.05
		2 @	162.95
00111	Senior Bookkeeper	1 @	146.80
00112	Senior Civil Engineer	1 @	259.35
		1 @	269.55
		3 @	279.75
		1 @	289.95
00113	Senior Civil Engineering Draftsman	3 @	179.30
		2 @	186.65
		2 @	194.00
		1 @	201.35
		1 @	216.05
00114	Senior Clerk	1 @	120.55
00115	Senior Clerk and Stenographer	1 @	146.80
00116	Senior Clerk and Typist	1 @	128.25
		1 @	139.80
		1 @	175.00
00118	Senior Engineering Aide	2 @	148.30
		3 @	153.95
		2 @	159.60
		1 @	165.25
		3 @	170.90
		1 @	182.20
00120	Skilled Laborer	2 @	146.80
00131	Chief Right of Way Representative	1 @	343.35
00134	Divisional Coordinator	1 @	363.10
00137	Contract Engineer	2 @	324.10
		1 @	337.10
		7 @	350.10
		1 @	363.10
		1 @	401.10
00138	Principal Civil Engineer	3 @	302.20
		2 @	313.55
		1 @	324.90
00140	Principal Sanitary Engineer	1 @	279.50
		1 @	302.20
		1 @	324.90
00141	Chief Administrative Clerk	1 @	198.90
		1 @	223.05
00142	Senior General Construction Inspector	3 @	216.90
		3 @	226.35
		10 @	235.80
		2 @	245.25
		2 @	254.70
		2 @	264.15
		2 @	273.60
		1 @	289.95

Metropolitan District Commission Construction Division Payroll
Position Title & Salary Range (continue)

POSITION CODE	POSITION TITLE	NUMBER	WEEKLY SALARY
00146	Director of Right of Way	1 @	405.90
00150	Administrative Assistant	1 @	208.70
		1 @	216.05
		1 @	235.80
		1 @	242.15
		1 @	247.80
		1 @	254.70
		1 @	264.15
00151	Administrative Assistant to Commissioner	1 @	253.15
		1 @	306.75
		1 @	337.10
		1 @	358.65
		1 @	372.80
		1 @	401.10
00152	Administrative Engineering Assistant	1 @	289.95
00153	Administrative Secretary	1 @	239.15
00154	Assistant Planner	2 @	247.80
		1 @	198.90
		1 @	238.95
00155	Assistant Structural Engineer	1 @	256.80
00156	Associate Planner	1 @	363.10
00157	Associate Planner — Landscape and Design	1 @	350.10
00158	Bldg. Const. Plans and Specifications Engineer	1 @	405.90
00159	Chief of Maintenance and Supplies	1 @	409.15
00160	Coordinator of Equip. and Supplies	1 @	282.35
00161	Director of Design Engineering	1 @	457.60
00162	Director of Public Relations	1 @	285.10
00164	Executive Assistant of Commissioner	1 @	445.25
00165	General Counsel	1 @	457.60
00166	Junior Administrative Assistant	1 @	148.30
00167	Junior Electrical Engineer	1 @	186.65
		1 @	223.40
00168	Photographer	1 @	170.90
00169	Principal Right of Way Negotiator	2 @	249.15
00170	Project Supervisor	1 @	297.15
		3 @	308.15
00171	Senior Accountant	1 @	238.80
00172	Senior Mechanical Engineer	1 @	238.95
00174	Senior Right of Way Negotiator	3 @	223.05
		3 @	231.10
00175	Statistical Machine Operator	1 @	114.95
		1 @	122.65
00176	Supervisor of Information	1 @	256.80
00177	Supervisor of Photography	1 @	256.80
00178	Supervising Electrical Engineer	1 @	372.80
00P06	Supervising Civil Engineer	1 @	358.65
		2 @	386.95
00P30	Principal Mechanical Engineer	1 @	279.50
00000	Legal Assistant	1 @	282.35
TOTAL — CONSTRUCTION DIV. PERSONNEL		267	

METROPOLITAN DISTRICT COMMISSION
Construction Division

"00" Employee Pay Increase Range
January 1970-January 1973



*Employed less than one year

WATER BONDS vs SEWER BONDS

The operation of the Construction Division of the M.D.C., as has been previously stated in this report, is financed out of the proceeds of water bond funds. These funds accrue from the sale of bonds authorized by the Legislature and the Governor. Bonding authorizations have been approved in like manner for the Sewer Division.

A significant contrast derives from an analysis of expenditures out of water bond funds, authorized for the operation of the Construction Division, and those of sewer bond funds during the five fiscal years 1968-1972.

Legislation authorizing the expenditure of bond funds for sewerage projects is very tightly written. The Commissioner and members of his staff advised that they are too restrictive and offer no latitude for the executive. On the other hand, water bond authorizations are loosely written and give great latitude to the executive. In a majority of cases, the Additional Water Loan Acts do not mention any specific projects to be completed by the authorization. The Commissioner and his staff feel that this type of authorization is much more advantageous since it allows a great deal of "flexibility" in dealing with the problems of the water district.

Because the sewerage legislation is restrictive, the state Comptroller can assign account numbers to specific projects, and does. The legislation authorizing borrowing for water projects, on the contrary, is not specific and the Comptroller cannot, on his own initiative, assign account numbers to projects, as he does not know which projects are to be done and what the estimated amount of expenditures is going to be. This information would have to be supplied to him by the Metropolitan District Commissioner. This is not done.

The net result of all this can be seen in a comparison

between the "restrictive" sewerage bond authorizations and the "flexible" water bond authorizations for the last five fiscal years. The total expenditures for sewerage were \$23,918,357.10, while expenditures for water were \$22,972,185.72. The total expenditures are approximately equivalent, allowing actual dollar comparisons as well as percentage comparisons. Capital outlay (that portion of expenditures paid to contractors and used directly in the construction of capital improvements) amounted to \$18,930,107.84 for sewer bonds and was \$16,158,021.18 for water bonds, a difference of \$2,772,086.66. This represents a more permanent value under the restrictive authorization technique.

Salaries paid to Construction Division employees during these five fiscal years from water bond funds has exceeded \$9,000,000 with the greatest increase occurring during the last two fiscal years. Of this amount, approximately \$3,400,000 was for work done by Construction Division personnel on sewer projects and, for which, the water bond fund was reimbursed. This represents something of temporary value to the member communities in the water district. When these salary figures are translated into a percentage of the capital outlay, we find that the flexible water bonds show a percentage of 37.5% while the restrictive sewer bonds show a more efficient 18.2%.

It must be admitted that the "03 account, services of consultants," is \$676,521.24 less in the water bond expenditures than in the sewer bond expenditures. However, the cost of obtaining this "savings" is an increase in the salary account by more than \$2,600,000.00.

What is perfectly clear is that with the simple device of orienting all expenditures to a project, the statistics show some good percentage economies. What kind of economies could take place with a more sophisticated project cost — budget system for all bonds including

water? This is unascertainable because, at the present time, there is no project cost system in use at the M.D.C. relative to water projects, and the M.D.C. has offered no reasonable alternative despite the fact that the inefficiency of the use of flexible water bond funds has been statistically verified.

WATER BOND FUNDS

An analysis of expenditures out of water bond funds for the five fiscal years 1968 through 1972 indicated a total amount expended of \$22,972,185.72 out of the following funds.

Additional Water Construction — General	\$	217.83
Met. District Water Loan, Act of 1952		34,716.94
Met. Water Dist. Additional Water Loan, Act of 1956		665,388.67
Met. Water Dist. Additional Loan, Act of 1961		1,532,156.00
Met. Water Dist. Additional Loan Act of 1962		4,273,999.55
Met. Water Dist. Additional Loan Act of 1964		25,312.85
Met. Water Dist. Additional Loan Act of 1966		6,879,316.61
Met. Water Dist. Additional Loan Act of 1967		7,847,826.92
Met. Water Dist. Additional Loan Act of 1968		766,852.53
Additional Water Mains		390,028.18
Met. District Water Main Loan, Act of 1967		556,369.64

A breakdown of this \$22,972,185.72 expenditure by Subsidiary Account follows:

SUBSIDIARY ACCOUNT	DESCRIPTION	AMOUNT
01*	Salaries, Permanent Positions	\$6,064,728.65
02*	Salaries, Other	5,775.30
03	Services, Non-Employees	164,101.93
04	Food for Persons	2,449.50
05	Clothing	1,654.26
06	Housekeeping Supplies & Expenses	48.50
07	Laboratory and Medical Supplies and Expense and Gen. Care	5,822.95
08	Heat and other Plant Operations	18,582.64
10	Travel and Automotive Expenses	31,622.51
11	Advertising and Printing	12,079.73
12	Maintenance — Repairs, Replacements and Alteration	51,336.99
13	Special Supplies and Expenses	345,421.59
14	Office and Administrative Exp.	49,677.64
15	Equipment	60,309.35
16	Rentals	553.00
18	Capital Outlay	16,158,021.18

*The subsidiary account numbers "01" and "02" as used in this section of this study are in-house definitions and have no direct relation to "01" and "02" employees in the state service. All M.D.C. employees paid out of bond issues are "00" employees.

In fiscal 1968, 01 salaries paid out of water bond funds amounted to \$624,068.77 while in Fiscal 1972,

the expenditure figure amounted to \$1,910,551.48. This constitutes an increase of 206.14% during this five fiscal year period.

SEWERAGE BONDS

Immediately prior to the merging of the Metropolitan District Water Supply Commission into the Metropolitan District Commission, the former agency was authorized to borrow and spend up to \$15,000,000 for five specific sewer projects. This was the beginning of a long series of interlinked bond issues and sewer works which are still in the process of construction. As additional borrowing for sewer work was approved, the old authorizations were continued.

In 1945, when the early sewer work by the Water Supply Commission¹ was authorized, the entire staff of this Commission was composed of temporary employees. Its primary source of funds was money borrowed for projects listed in the enabling act, and the authorization for paying the employees out of bond money was contained in the following language:

'All engineering services and such administrative expenses incurred under this act shall be considered as part of the direct cost of the projects for which they were incurred as set forth in section one of this act.'¹

This practice of borrowing to pay current operating and maintenance expenses on sewer bond projects, and thereby incurring interest charges thereon, continues in the Sewer Division today. Despite this fact, the positions in the Sewer Division are authorized by the Legislature and are classified. Consequently, if the Sewer Division desires to hire personnel, it would be necessary to obtain the approval of the Division of Civil Service. This requirement has been circumvented by the Sewer Division "borrowing" non-civil service personnel from the Construction Division and then reimbursing this division by means of a transfer of funds between bond accounts.

The M.D.C., in 1949,² was authorized to add \$25,000,000 to the earlier borrowings for sewer projects and was authorized to borrow another \$25,000,000 for sewer projects in 1951.³ In both instances, the enabling legislation authorized the paying of engineering and administrative employees out of bond funds if the employees worked on the projects specified. An additional bonding authorization of \$10,000,000 for sewer projects was approved in 1970.⁴

An unusual system was established by the M.D.C., with the approval of the state Comptroller's office, for

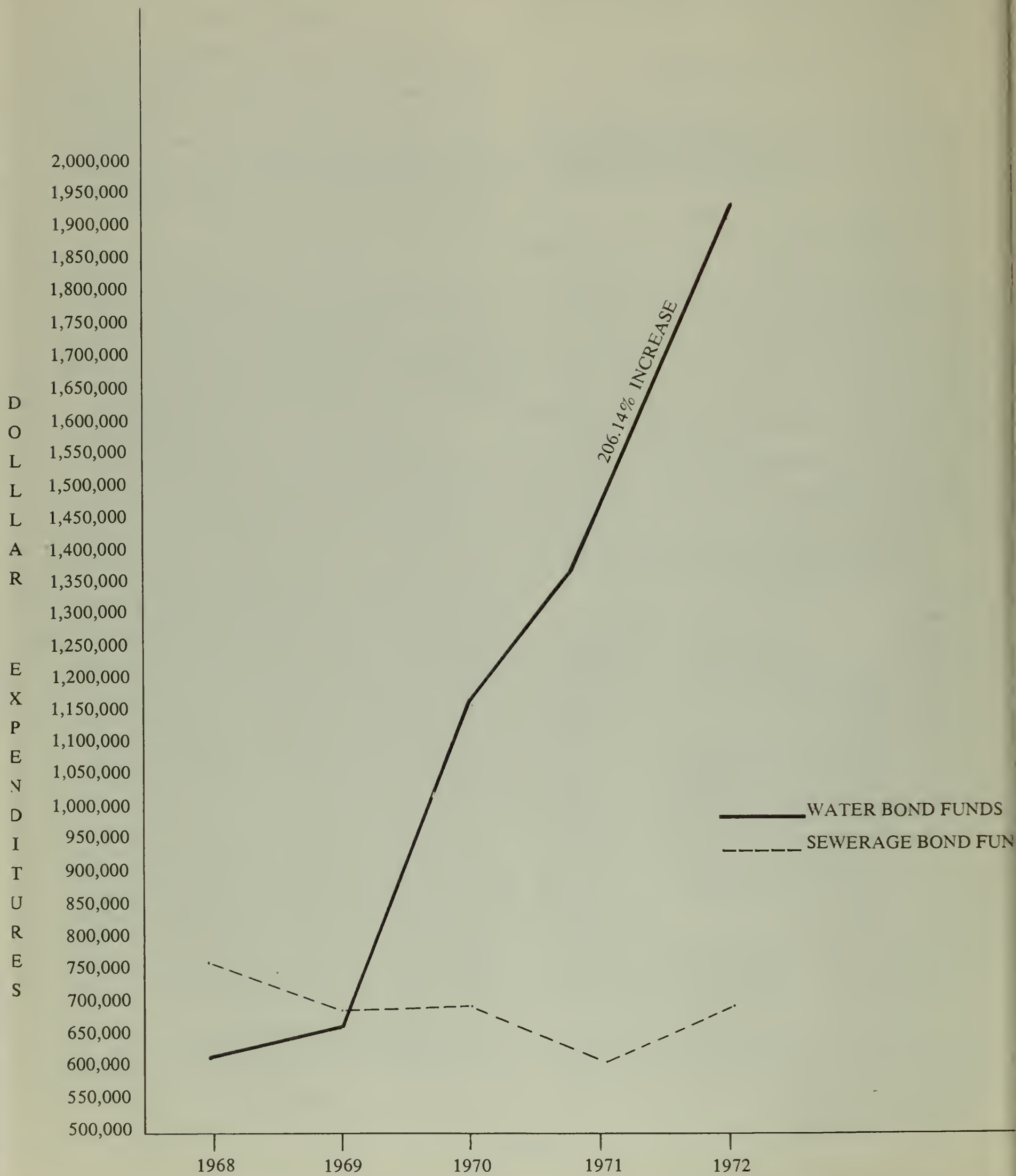
¹ Chapter 705, Acts of 1945.

² Chapter 606, Acts of 1949.

³ Chapter 645, Acts of 1951.

⁴ Chapter 745, Acts of 1970.

"01" SALARY EXPENDITURES
FROM WATER AND SEWER BOND FUNDS
(Fiscal years 1968-1972)



the payment of temporary help out of sewer bonds. The temporary workers are paid first out of water bond funds. The Commission then estimates the portion of a Construction Division employee's time that is spent on the sewer project and the appropriate amount of money is transferred from the bond issue for that project into the water bond account. This shifting of funds among bond accounts is controlled by the Comptroller and it is not unusual for one employee to have his salary apportioned over four or more bond accounts.

SEWERAGE BOND ANALYSIS

An analysis of expenditures out of sewerage bond funds for the five fiscal years 1968 through 1972 indicated a total amount expended of \$23,918,357.10 out of the following funds:

Metropolitan District Sewerage Relief Loan Act of 1961	\$ 15,536.58
North Metropolitan Relief Sewer Extension	21,302.95
Pumping Station, etc., South Side Charles River	80,663.45
Pumping Station, etc., North Side Charles River	8,787,465.48
Kosciuszko Circle, Deer Island Tunnel and Ward Street	974,185.29
Deer Island Sewage Treatment Plant Enlargement	7,155,452.76
West Side & Stony Brook Relief Sewer Project E	9.91
Squantum Force Main	3,051,016.77
Metropolitan District Sewerage Relief Loan, Act of 1962, C. 593	835,587.44
M.D.C. Malden Relief Sewer Loan, Act of 1966	465,442.47
Metropolitan District Sewerage Relief Act of 1962, C. 655	1,183,586.87
Metropolitan District Sewerage Relief Loan Act of 1962, C. 655	17,081.64
Metropolitan District Sewerage Relief Loan, Act of 1961 (Bal. Reverted)	179,482.39
Metropolitan District Sewerage Loan, North System Everett and Malden, Act of 1958 (Balance Reverted)	11,912.95
Malden Sewage Relief Act of 1969	500,000.00
Pumping Station North Side Charles River	126,359.05
Deer Island Sewage Treatment Plant	53,445.02
Rehabilitation of Tide Gates & Pumping Station	45,274.19
M.D.C. Charles River Marginal Conduit Loan, Act of 1971	15,366.25
Rehabilitate Tide Gates & Pumping Stations	399,185.64

A breakdown of this expenditure by subsidiary account follows:

SUBSIDIARY ACCOUNT	DESCRIPTION	AMOUNT
01*	Salaries, Permanent Positions	\$3,449,323.46
03	Services, Non-Employees	840,623.17
04	Food for Persons	269.31
05	Clothing	337.44
07	Laboratory and Medical Supplies and Expenses and General Care	54,368.04
08	Heat and Other Plant Operations	16,709.27

⁵ Chapter 514, Acts of 1972.

09	Farm and Grounds	1,608.00
10	Travel and Automotive Expenses	38,275.13
11	Advertising and Printing	18,647.54
12	Maintenance — Repairs, Replacements and Alterations	202,500.05
13	Special Supplies and Expenses	223,310.07
14	Office and Administrative Expenses	7,334.56
15	Equipment	132,505.72
16	Rentals	2,437.50
18	Capital Outlay	18,930,107.84

This breakdown was taken from the year-end reports and errors in coding were found to exist. For example, no expenditures were made out of subsidiary account 04. The amount shown therein was expended from subsidiary account 05. This resulted from an error in using object code 315 (meat) instead of object code 351 (clothing).

*See water bond table above

TRANSFERS BETWEEN ACCOUNTS

Each year the Legislature, in the General Appropriations Act, authorizes the transfer of funds out of specified bond accounts and into the Additional Water Loan Act in an effort to allocate engineering services rendered during that fiscal year to the projects for which they were incurred.

For the 1972 fiscal year, the following accounts were charged:

Drainage and Flood Control Act of 1963	\$ 105,306.50
Pumping Station, etc., Northerly Side of Charles River	136,287.24
Deer Island Sewage Treatment Plant Enlargement	85,212.40
Sewage Disposal, Squantum Force Main	199,129.68
Rehabilitate Tide Gates & Pumping Station	71,769.06
Charles River Flood Control, Act of 1955	4,115.62
Charles River Flood Control, Act of 1961	34,508.10
Sewage Disposal (1945) Kasciuszko Circle, Deer Island, etc.	1,035.15
Drainage and Flood Control, Act of 1970	185,540.01
Pumping Station, North Side of Charles River	122,352.41
Deer Island Sewerage Treatment Plant	43,325.16
Rehabilitation of Tide Gates & Pumping Station	38,480.25
	<u>\$1,027,061.58</u>

These charges were credited to the Metropolitan Water District Additional Loan Act of 1967.

A review of the charges to the above listed accounts disclosed that the General Appropriations Act for Fiscal Year 1972⁵ did not authorize transfers from the following three accounts, yet these transfers were made:

Pumping Station, North Side of Charles River	\$ 122,352.41
Deer Island Sewerage Treatment Plant	43,325.16
Rehabilitation of Tide Gates and Pumping Station	38,480.25
	<u>\$ 204,157.82</u>

From the above, the question arises as to why the Comptroller would approve of \$204,157.82 in transfers from these three accounts prior to legislative approval.

A spokesman from the Comptroller's accounting section stated that the charges to these three accounts are considered proper since the act providing for these funds states that personnel costs are to be considered a part of the direct costs of the projects.

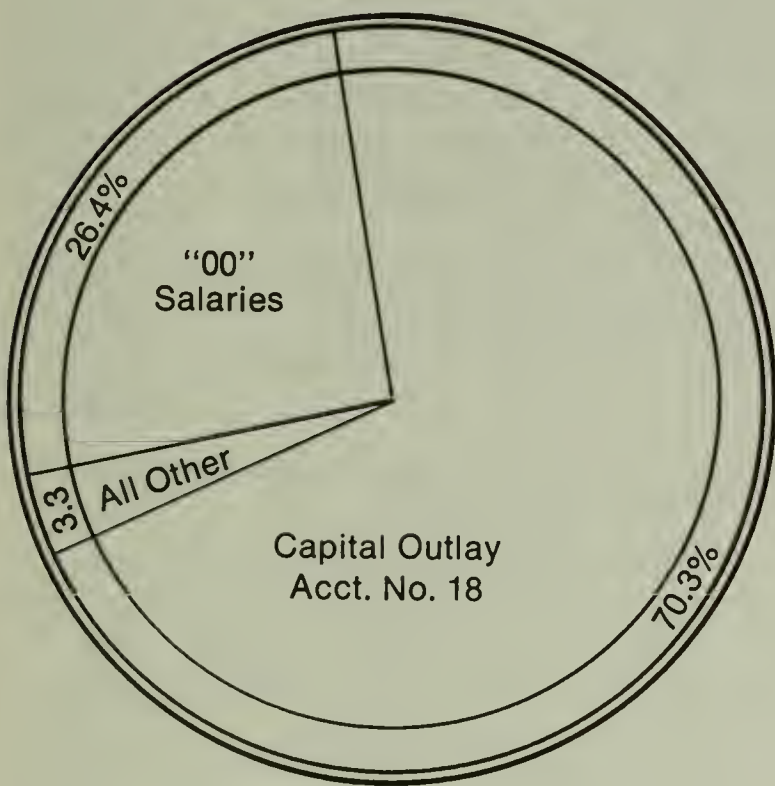
In addition, it should be noted that in the monthly letter from the M.D.C. to the State Comptroller stating the amounts to be transferred, the following statement is made:

"All transfers are in accordance with the current General Appropriation Act, and are chargeable to Object Code 101."

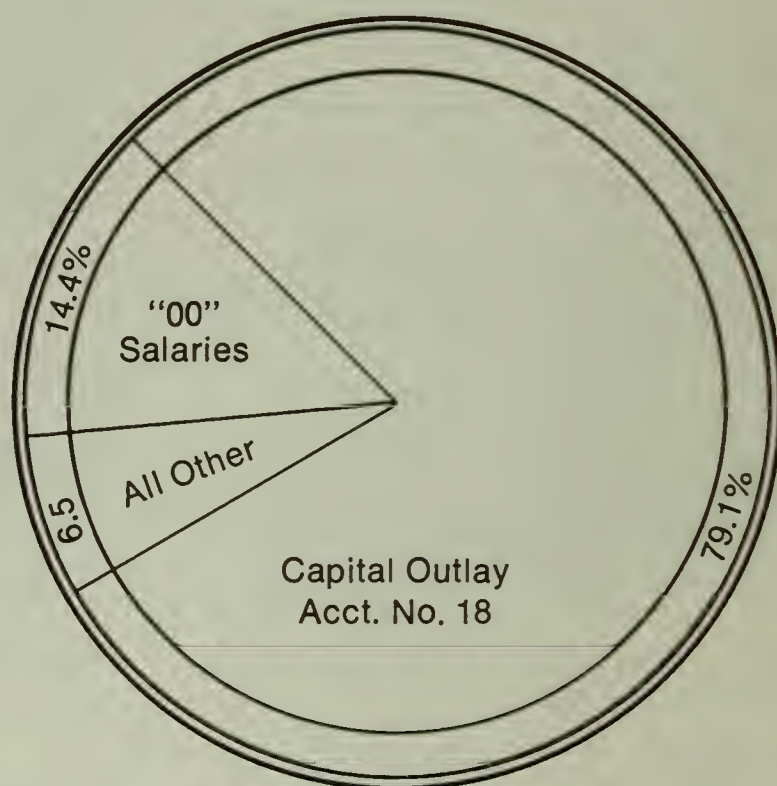
This is not a true statement and clearly indicates a lack of compliance with legislative intent and law on the part of the M.D.C. and a failure to fulfill its responsibility on the part of the Comptroller's office.

METROPOLITAN DISTRICT COMMISSION Expenditures by Subsidiary Account Five Fiscal Years 1968-1972

WATER BOND FUNDS



SEWERAGE BOND FUNDS



FRINGE BENEFITS

The "00" employees of the M.D.C. Construction Division, in addition to their other employment advantages as set forth previously in this report, also receive state employee fringe benefits such as retirement, group insurance, vacations, sick leave, etc.

The total cost entailed in providing these fringe benefits for Construction Division employees is charged by M.D.C. management procedures to the Water District Fund. This method is followed despite the fact that many of these employees work on Sewer District, Parks District and/or Water District projects and still others are assigned to the administration section of the Commissioner's office.

The provisions of the General Appropriation Acts for past fiscal years require that employee fringe benefit costs be charged to one of three district funds — water, sewer, or parks, as the case may be. Ultimately, the member communities of each district pay the bills. This is the customary and proper way to assess such costs as they relate to "01" and "02" employees who staff the Sewer and Parks Districts and who are engaged in work related to sewer and park projects.

An entirely different situation exists with respect to fringe benefit costs for "00" employees in the Construction Division. As stated previously, these people do not hold classified positions in the state service. Their salaries are paid out of bond funds and their names are added to the payroll of the Water District Fund for

fringe benefit purposes. This fund is charged for the state's portion of the cost of group insurance coverage and pensions for these employees. In the case of group insurance, the state pays 75% of the cost while the employee pays 25%. With respect to pensions, the state's share is higher.

A situation evolves, therefore, whereby the member communities of the Water District are subsidizing the retirement and group insurance coverage of employees of the Construction Division who may never have worked at all on water projects. As mentioned previously in this report, at least thirty-eight such employees have been assigned tasks in the administration section of the Commissioner's office which are unrelated, in whole or in part, to water projects. Once again, the absence of a cost accounting program in the Construction Division has redounded to the detriment of the member communities of the Metropolitan Water District.

The assessment on the Water District communities in Fiscal Year 1972 for payments to retirees of the M.D.C. Water Division, including Construction Division personnel, amounted to \$521,102. During this same period, the sum of \$157,626.22 was transferred to the General Fund from the M.D.C. Water Fund to compensate for the Commonwealth's share of premiums for group insurance coverage for employees of the Water and Construction Divisions.

FINDINGS

1. The M.D.C. Construction Division was established by direction of the General Court and the Governor in 1947.
2. It is the successor organization to the Metropolitan District Water Supply Commission.
3. It is charged with the design and supervision of construction of water supply, sewer, and flood control projects.
4. Its employees do not perform actual construction work.
5. The employees are categorized as "00" employees which indicates that their salaries are paid from bond funds.
6. Such salaries are currently being paid from bond sales authorized by the Metropolitan District Additional Water Loan Act of 1967. This authorization amounted to \$25,000,000. As of April 30, 1973, however, only \$10,000,000 of this sum has been expended.
7. The bond authorization was increased by another \$25,000,000 by the Metropolitan District Additional Water Loan Act of 1970.
8. As of May 1, 1973, the M.D.C. Commissioner has bond authorizations totaling at least \$40,000,000 for water supply projects including salaries of employees of the Construction Division.
9. There is no limit to the number of personnel which the Commissioner, with the approval of the Governor, may employ in this division. Positions are created, not filled.
10. Such employees are not subject to Civil Service laws, rules and regulations, nor are they under the jurisdiction of the Bureau of Personnel.
11. Since January, 1970, seventy-two new positions have been created in this division by the present Commissioner, with the Governor's approval.
12. These employees receive whatever salary the Commissioner, with the approval of the Governor, determines and, in many instances, these salaries exceed state salaries for comparable positions.
13. All promotions and salary increases are made by the Commissioner, with the approval of the Governor.
14. Since February 1970 salary increases ranging from 7.7% to 71.4% have been granted to Construction Division employees by the Commissioner and the Governor.
15. The Commissioner and the Governor have total *fiscal autonomy* with respect to this division.
16. The total cost of the Construction Division is assessed on the member communities of the M.D.C. Water District. These cities and towns, however, have no direct input on the operations of this Division either with respect to personnel or projects.
17. As of January, 1973, there were 267 employees of this Division with an average salary of over \$12,000 per year.
18. The Metropolitan Water District, annually, runs a deficit in its operations, part of this deficit attributable to the debt service, (i.e., principal plus interest) of Construction Division bond funds.
19. The Commissioner of the M.D.C., with the approval of the Governor, has created positions within the Construction Division which the Legislature refused to create in its budgetary process.
20. At the beginning of this study, there were no

personnel files on any of the people of the Construction Division who are assigned to the administration section of the Commissioner's office.

21. There is no project cost accounting system for projects carried out under the authorization of the so-called Additional Water Loan Acts.
22. The comptroller determines that the necessary signatures of approval are on documents submitted to him for payment, but he does not determine the propriety of the charge as being within the

scope of the bond authorization.

23. Of the 200 members of the engineering services section, only 32 hold professional ratings as engineers and/or land surveyors.
24. Pension and group insurance costs for Construction Division employees are apportioned 100% to the Metropolitan Water District.
25. Many Construction Division employees perform duties unrelated to water supply projects, but are paid from water bond funds.

CONCLUSIONS

The operation of the Construction Division of the M.D.C. is totally financed from the proceeds of the sale of bonds. These bond issue authorizations are the result of legislative enactments which are approved by the Governor. Since the establishment of the Construction Division in 1947, there have been eight such enactments.

While the cities and towns which comprise the M.D.C. Water District are assessed annually for the costs of the Construction Division, they have no direct voice in its operations. Projects to be performed are determined, in most instances, by the Commissioner of the M.D.C. and he, with the approval of the Governor, has complete jurisdiction over the employment of personnel and the determination of salaries within the Division.

This division, as of January, 1973, employed 267 persons with an annual payroll of approximately \$3,200,000. These employees acquired their position by appointment of the Commissioner with the approval of the Governor. There are no qualifications, standards, or examinations required for such appointments. They are totally outside Civil Service and the laws relating thereto, including veterans' preference. These employees are classified as "00" employees as distinguished from "01", "02" or "03" employees. Their positions are unclassified and the Commissioner, with the approval of the Governor, has, in effect, fiscal autonomy in establishing their salaries.

There are instances, for example, of several employees with the same position title but with widely divergent salaries.

Over the last four years, an amount in excess of \$9,000,000 has been spent for the salaries of "00" employees of the M.D.C. Construction Division. During

Fiscal Year 1973, another \$3,100,000 will have been similarly expended. The grand total for the five-year period will be more than \$12,000,000, which is only the initial cost. For the next generation and a half, the taxpayers of the M.D.C. districts will be paying for this amount together with the interest charges thereon which will approach another \$10,000,000—\$22,000,000 total.

The debt service (principal plus interest charges) of the bonds sold to finance the operation of the Construction Division is added to the cost of operation of the M.D.C. Water Division and is assessed upon the member communities in the form of a water use charge of \$120 per million gallons. This charge is unrealistic and does not compensate for the actual cost of the operation of the Water Division. The deficit occasioned by this management procedure of the M.D.C. is met by the sale of additional bonds under the provisions of G. L. 92, Sec. 26A, which provides:

Beginning with the year nineteen hundred and forty-six the price for water furnished by the metropolitan water district to non-member towns shall be fixed at forty dollars per million gallons, less any sums to be credited. From the aggregate total of all of the sinking fund requirements, and interest and principal payments on all bonds issued for the construction of the metropolitan water system under authorization of laws prior to and including chapter three hundred and twenty-one of the acts of nineteen hundred and twenty-seven and amendments thereto, and on all bonds issued under authorization of this section, the state treasurer shall deduct a sum which, together with the requirements for maintenance and operation, for miscellaneous interest, and for credits to any member of the metropolitan water district

shall equal the product of the total number of million gallons of water furnished to member towns by the metropolitan water district at the price of forty dollars per million gallons, and shall borrow the balance on the credit of the commonwealth, and for such purpose each year the state treasurer is authorized to issue and sell at public or private sale bonds of the commonwealth, registered or with interest coupons attached, as he may deem best, for the amount of said balance. All bonds issued by the commonwealth as aforesaid shall be designated on their face Metropolitan Water District — Water Use Development Loan, shall carry such rates of interest as the state treasurer, with the approval of the governor, may fix, shall be issued for such maximum term of years not exceeding thirty years from the date of each issue, as the governor may recommend to the general court pursuant to section 3 of Article LXII of the amendments to the constitution of the commonwealth, and shall be payable serially in such amounts and at such times as the state treasurer with like approval may determine; provided, that the principal payments of each issue shall be made annually in amounts as nearly equal as may be.

Since the enactment of this legislation in 1945, the State Treasurer has been called upon to sell bonds to a total amount of \$93,000,000 to balance the water fund. This method of management is inexact at best because there are no cost accounting procedures followed within the M.D.C. with respect to water projects. As a result, the M.D.C. is borrowing additional sums to pay for amounts already borrowed. Notwithstanding the absence of cost accounting procedures, this water use charge of \$120 per million gallons is assessed upon the member communities in the Metropolitan Water District and is reassessed by the communities on the real estate property owners residing therein.

Many of the employees of the Construction Division have been assigned to tasks which, in some cases, are totally unrelated to the purpose of the bond issue from which their salaries are paid; while, in still others, the relationship is minimal. Thirty-eight (38) of these employees, for example, have been assigned to the administration section of the Commissioner's office with varying titles, such as, Executive Assistant to Commissioner, Administrative Assistant to Commissioner, Administrative Assistant, Administrative Secretary, General Counsel, etc. Yet the real estate property owners of the thirty-two cities and towns in the Metropolitan Water District are, in the final analysis, called

upon to pay the salaries of these employees. This is, to say the least, an unfair burden placed upon the taxpayers in these municipalities and has amounted to millions of dollars over a period of years.

The title given to this appendage of the M.D.C. is a misnomer. While designated as the division of construction in the legislation which directed its establishment, the duties of its personnel are in no way related to the actual construction of projects. They serve, primarily, as design engineers and project managers and inspectors. The actual construction is performed by private contractors. Upon the completion of construction, the project is turned over to the Water Division or the Sewer Division, as the case may be, for operation and maintenance.

There has been a rapid escalation in the number of Construction Division employees in the last three years. From a figure of 195 employees, with a weekly payroll of \$39,004.00 as of January, 1970, this division has increased to a figure of 267 employees with a weekly payroll of \$62,260.33 as of January, 1973.

As stated previously, these salaries are financed out of borrowed money and such borrowing is patently not in the interest of efficiency or economy.

Of immediate impact upon the cities and towns in the M.D.C. Water District would be the passage of a long overdue reform in the method of employing and compensating personnel in the Construction Division. A step toward the elimination of this wasteful practice has been taken this year. The Senate Ways and Means Committee wrote language into a deficiency appropriation bill requiring that salaries and expenses of all M.D.C. employees, including those in the Construction Division, be charged to Fiscal 1973 appropriations. By this action, which the full Senate and the House of Representatives sustained, the cost of salaries for Construction Division personnel would be levied this year and not over the life of a bond issue.

If the proposal to budget the salaries of Construction Division employees had been in effect throughout Fiscal Year 1973, the eventual savings to the cities and towns in the M.D.C. Water District would have exceeded \$3,000,000 because the cost of borrowing this year is at a level which results in interest costs over the life of a bond exceeding the face value of the bond.

In addition, budgeting the salaries of such employees would result in the positions approved therefor being classified and qualifications established. It would also eliminate the *fiscal autonomy* now enjoyed by the Commissioner and the Governor with respect to the classification and salaries of these employees. Finally, it would remove the M.D.C. Construction Division as a patronage haven.

RECOMMENDATIONS

The Legislative Post Audit and Oversight Bureau makes the following recommendations:

- 1) The recommendations of the Senate and House Ways and Means Committees to classify positions in the M.D.C. Construction Division as temporary "02" positions, thus placing them within the jurisdiction of the Division of Civil Service and the Bureau of Personnel, should be adopted.
- 2) The number of such positions authorized and the funds appropriated therefor should be restricted to those necessary to carry out the functions and duties of the Construction Division, as the same have been determined by the Metropolitan District Commission and approved by the General Court.
- 3) Chapter 766 of the Acts of 1970 authorized additional bonding to a total of \$25,000,000 for the M.D.C. for the general purpose of extending and further developing its sources of water supply. No specific projects have been spelled out in this Act and no bonds have been sold under its provisions. As of May 1, 1973, there was a balance of approximately \$15,000,000 from a previous bond authorization of \$25,000,000 contained in Chapter 669 of the Acts of 1967. So much of

Chapter 766 of the Acts of 1970 as relates to additional bonding authorization should be repealed. Legislation to accomplish this purpose is appended hereto. (See Appendix G).

- 4) So much of Chapter 669 of the Acts of 1967 as permits the payment of salaries and expenses of officers and employees of the M.D.C. Construction (Engineering) Division from water bond funds should be repealed. Legislation to accomplish this purpose is appended hereto. (See Appendix H).
- 5) Subsequent requests from the M.D.C. for bond authorization to extend and further develop its source of water supply should contain specific itemization of the projects contemplated and should specifically preclude the payment of salaries for Construction Division personnel out of bond funds.
- 6) All officers and positions in the Construction Division of the M.D.C. should be subject to Civil Service laws, rules and regulations. Legislation to accomplish this purpose is appended hereto. (See Appendix I).

APPENDIX A

METROPOLITAN DISTRICT COMMISSION

District Membership - 1972

Parks – Water – Sewerage

Total Members - 54 *#

- Member of all three MDC districts

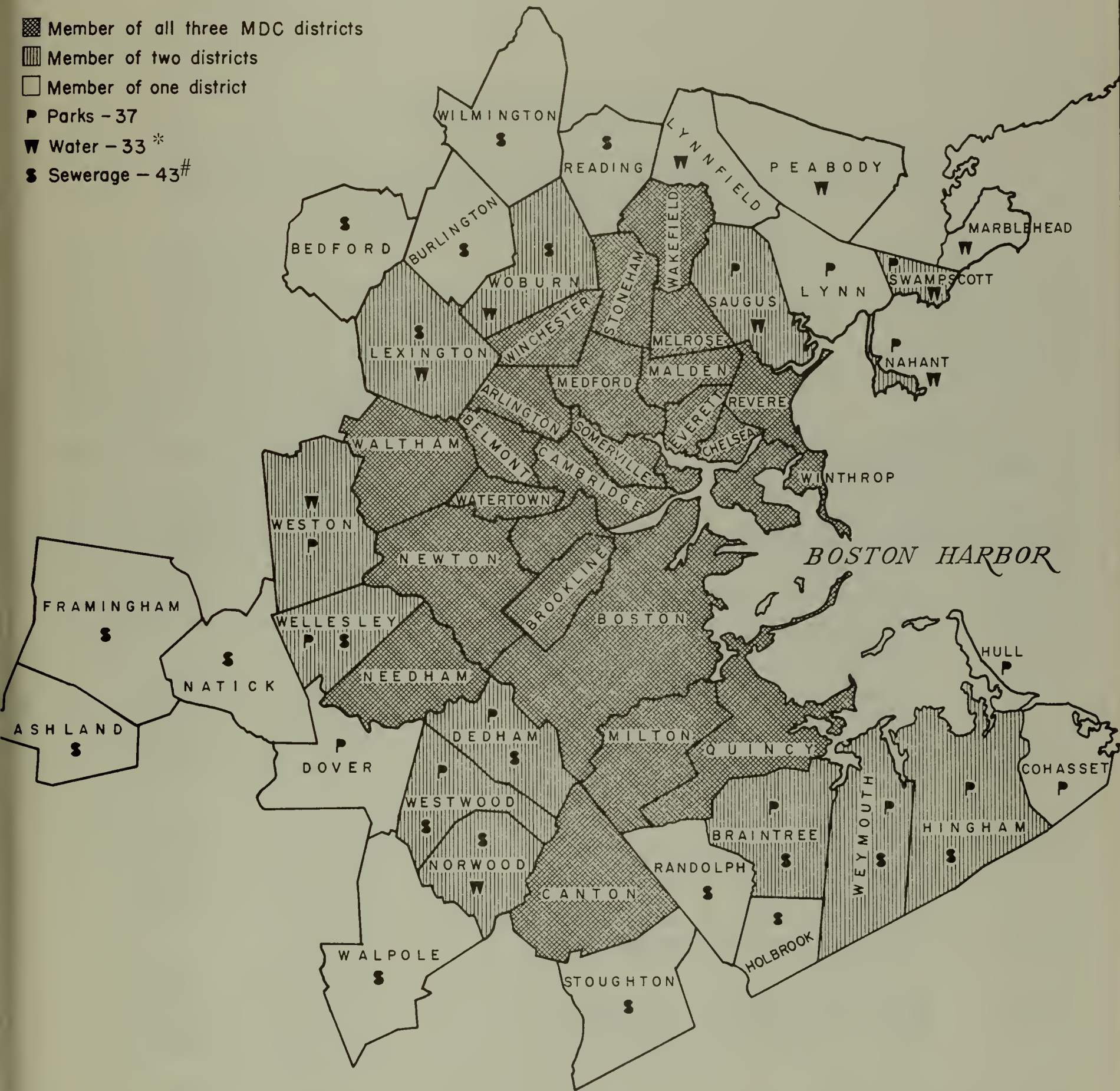
- Member of two districts

- ☐
- Member of one district

- P Parks - 37

- W Water - 33 *

- 8 Sewerage - 43[#]



Courtesy of M.D.C.

* Woburn is not yet tied-in to the Water System

Holbrook and Bedford are not yet tied-in to the Sewer District

APPENDIX B

METROPOLITAN DISTRICT COMMISSION ENGINEERING DIVISION

CONSTRUCTION PROJECTS

<u>Year</u>	<u>Project</u>	<u>Estimated Cost</u>	<u>Status at Year End</u>
1969-72	Dorchester Tunnel	\$19,000,000.00	Under Construction
1969-72	Saugus Branch Brook Flood Control — Malden Relief Sewer	7,166,890.00	Under Construction
1969	Earth & Core Borings	1,000.00	Complete
1969	Miscellaneous Small Contracts — Deer Island	255,649.96	Complete
1969	Wachusett Intake	5,318,834.18	Complete
1969-71	Storm Detention & Chlorination Station	4,851,961.28	Complete
1969-71	Squantum Force Main — Sect. A	2,071,351.00	Complete
1969	Spot Pond Brook, Malden-Medford Line Brook & Bryant St. Drain — Drainage & Flood Control	5,811,029.58	Complete
1969-70	No. Charles Relief Sewer — Sect. A	1,322,024.51	Complete
1969-71	Winthrop Terminal	2,716,616.12	Complete
1969	Flood Control — Miscellaneous Small Contracts	38,986.11	Complete
1969-72	Rehabilitation of Deer Island Pumps	155,000.00	Complete
1970-72	City Tunnel Extensions	4,219,649.52	Complete
1970	Squantum Force Main — Sect. B	472,140.00	Under Construction
1970	West End Brook Flood Control	1,494,629.05	Complete
1970	Clean-up Flood Control	2,750.00	Complete
1970	Odor Control Facilities — Columbus Park Headworks	34,259.00	Complete
1970-71	Modifications to Salt Water Pumping Station — Deer Island	85,850.00	Complete
1970	Landscaping Deer Island	183,755.02	Complete
1970	Squantum Pumping Station — Modifications	55,053.00	Complete
1970	Site Improvements — Wachusett Intake	124,920.99	Complete
1971-72	Fish Ladder	44,350.69	Complete
1971-72	Tidegates & Installation	198,474.19	Complete
1971	No. Charles Relief Sewer — Sect. B	3,969,182.00	Incomplete

APPENDIX B (con't)

CONSTRUCTION PROJECTS (Cont.)

1972	Rehabilitation of East Boston Pumping Sta.	\$ 96,296.59	Complete
1972	Core Borings	135,324.00	Under Construction
1972	Rehabilitation of Chestnut Hill Pumping Station	48,495.00	Under Construction
1972	No. Charles Relief Sewer — Sect. C	3,761,220.00	Under Construction
1972	Emergency Repairs at Deer Island	174,477.50	Under Construction
1972	Quincy Pumping Sta. Imprvts.	141,760.00	Under Construction
1972	Construction of a new 3 barrel culvert — Black's Creek	790,760.00	Under Construction
1972	Miscellaneous Repairs to Storm Detention Chlorination Station	39,760.00	Complete
1972	Tidegates & Installation	106,251.00	Under Construction
1972	Removal of Debris, Vegetation & Dredging (Alewife)	83,291.19	Complete
1972	Marginal Conduit and Pretreatment Facility — Somerville	1,674,941.00	Under Construction
1972	Intake Structure — Northfield	900,000.00	Under Construction
1972	Charles River Dam	591,000.00	Under Construction

APPENDIX C

METROPOLITAN DISTRICT COMMISSION

ENGINEERING DIVISION

DESIGN PROJECTS

<u>Year</u>	<u>Project</u>	<u>Estimated Cost</u>	<u>Status at Year End</u>
1969	Dorchester Tunnel	\$19,000,000.00	Complete
1969	City Tunnel Extensions	4,500,000.00	Incomplete
1969	Earth & Core Borings	1,000.00	Complete
1969	Saugus Branch Brook Flood Control — Malden Relief Sewer	7,500,000.00	Complete
1969	Squantum Force Main — Sect. A	2,120,000.00	Complete
1969	Miscellaneous Projects — Deer Island	250,000.00	Complete
1970	Squantum Force Main — Sect. B	475,000.00 Est.	Complete
1970	West End Brook Flood Control	1,500,000.00	Complete
1970	Odor Control Facilities — Columbus Park Headworks	40,000.00 Est.	Complete
1970	Modifications to Salt Water Pumping Station — Deer Island	90,000.00	Complete
1970	Landscaping — Deer Island	170,000.00 Est.	Complete
1970	Squantum Pumping Station — Modifications	47,300.00 Est.	Complete
1970	Site Improvements — Wachusett Intake	128,975.00 Est.	Complete
1970	No. Charles Relief Sewer — Sect. B	4,000,000.00 Est.	Complete
1970	Rehabilitation of Tidegates	85,000.00 Est.	Incomplete
1970	Northfield Project	25,000.00	Incomplete
1970	City Tunnel Extensions	4,500,000.00	Complete
1971	Fish Ladder	45,585.00	Complete
1971	Rehabilitation of East Boston Pumping Sta.	95,745.00	Complete
1971	Core Borings — Northfield	150,000.00	Complete
1971-72	Rehabilitation of Chestnut Hill Pumping Station	300,000.00 Est.	Incomplete
1971-72	North Charles Relief Sewer — Sect. C	4,000,000.00 Est.	Complete
1971	Northfield Project	95,000.00 Est.	Incomplete
1971	Rehabilitation of Tidegates	112,000.00 Est.	Incomplete
1971	Somerville Marginal Conduit	1,400,000.00 Est.	Complete
1971	Culvert — Black's Creek	800,000.00 Est.	Complete

APPENDIX C (con't)

DESIGN PROJECTS (Cont.)

<u>Year</u>	<u>Project</u>	<u>Estimated Cost</u>	<u>Status at Year End</u>
1972	Emergency Repair Work — Deer Island	\$ 175,000.00 Est.	Complete
1972	Quincy Pumping Station Improvements	150,000.00	Complete
1972	Miscellaneous Repairs to Storm Detention & Chlorination Sta.	40,000.00	Complete
1972	Northfield Project	120,000.00 Est.	Incomplete
1972	Rehabilitation of Tidegates	302,080.00	Incomplete
1972	Mother Brook Flood Control	28,000.00	Incomplete
1972	Subsurface investigation field surveys — various projects	12,000.00	Incomplete
1972	Investigate alternate methods of sludge disposal — Treatment Plants	41,000.00	Incomplete
1972	IBM Terminal	1,800.00	Incomplete
1972	Proposed construction of Pollution Relief Facilities — Charles River Estuary	13,000,000.00	Incomplete
1972	Comprehensive study of performance of Nordberg Engines — Deer Island	8,291.00	Complete
1972	Design & construct an in-stream treatment system to clean, clear & control pollution in Storrow Lagoon — Charles River	235,400.00	Incomplete
1972	Reports relating to bedrock in connection with planning, design & construct. of water supply, sewerage & flood control in certain areas of Mass.	20,000.00	Incomplete
1972	Survey, analysis, planning, engineer. & develop. services — Charles River upstream of Havey Beach	23,582.00	Incomplete
1972	Investigation of sludge outfalls in Boston Harbor	20,000.00	Incomplete
1972	Charles River Dam	6,000,000.00	Incomplete
1972-73	Mystic River Dam — Pumping Station	4,000,000.00	Incomplete
1972	Environmental Control	83,000,000.00	Incomplete
1972	Flood Control	2,000,000.00	Incomplete
1972	Charles River Flood Control	6,500,000.00	Incomplete
1972	Revere Pumping Station	600,000.00	Incomplete
1972	Quincy Shore Drive Pumping Station	600,000.00	Incomplete
1972	Black's Creek Dredging	400,000.00	Incomplete

APPENDIX D

THE GENERAL COURT OF MASSACHUSETTS
POST AUDIT AND OVERSIGHT BUREAU
STATE HOUSE, BOSTON

February 7, 1973

Mr. John W. Sears, Commissioner
Metropolitan District Commission
20 Somerset Street
Boston, Mass. 02108

Dear Commissioner Sears:

In a letter from Francis T. Bergin, Chief Engineer, dated December 1, 1972, I received a list of Registered Engineers, a list of all design projects for the years 1969-1972, and a list of all construction projects for the years 1969-1972. I am now in need of more detailed information concerning some of the listed projects.

Would you be good enough to furnish this office with the following information on the projects listed on page 2.

1. The particular legislative authorization for each project.
2. The nature of the work performed by the Construction Division on each project.
3. The contract reference numbers for all contracts issued for each of the projects.
4. Project start and completion dates for each project, both bid and actual.
5. The cost of each project, based in the following terms:
 - a) The capital outlay for each project, i.e., construction contracts issued under budgetary control object codes 771 through 789.
 - b) Personnel costs of Construction Division employees assigned to each project, i.e., budgetary control object codes 101 through 115.

APPENDIX D (cont.)

Mr. John W. Sears, Commissioner
Metropolitan District Commission
February 7, 1973
Page 2

- c) Professional services costs for each project, i.e., budgetary control object codes 121 through 219.
- d) Equipment and supplies purchases, i.e., office supplies, cars, tools, etc.
- e) All other project expenses.

The above information is desired for each of the following projects:

1. Storm Detention and Chlorination Station
1969 — 1971 \$4,851,961.28
2. City Tunnel Extensions
1970 — 1972 \$4,219,649.52
3. West End Brook Flood Control
1970 \$1,494,629.05
4. Rehabilitation of East Boston Pumping Station
1972 \$ 96,296.59
5. Miscellaneous Repairs to Storm Detention Chlorination Station
1972 \$ 39,760.00
6. Removal of Debris, Vegetation and Dredging (Alewife)
1972 \$ 83,291.19

Very truly yours,

Arthur V. Morley
Legislative Analyst

APPENDIX E

METROPOLITAN DISTRICT COMMISSION ENGINEERING DIVISION

March 5, 1973

Post Audit and Oversight Bureau
State House
Boston, Massachusetts

Gentlemen:

Attention: Mr. Arthur V. Morley,
Legislative Analyst

. The attached information relative to certain projects carried out under the direction of our Engineering Division, is submitted in answer to your letter of February 7, 1973. I regret the time involved in compiling this information but should you require further data, please do not hesitate to contact this office.

Very truly yours,

FTB:Car
Enclosure:
Tabulation

JOHN W. SEARS
Commissioner

APPENDIX E (con't)

METROPOLITAN DISTRICT COMMISSION ENGINEERING DIVISION

PROJECT: Storm Detention & Chlorination Station

1. Legislative authorization: St. 1945, C. 705
2. Nature of the work performed by the Engineering Division:
Planning, Design, Contract Preparation, Administration and Construction Supervision.
3. Contract Reference Number: C-205
(C-395)
(C-403)
4. Project start and completion dates, both bid and actual:

Contract C-205 Bids Opened	11/17/67
Start Date	2/19/68
Compleat. Date	7/13/71
- *5. Cost of Project, based in the following terms:

a) Capital Outlay	\$8,874,641.28
b) Personnel costs (Field)	270,000.00
c) Professional Services	256,905.74
d) Equip., supplies purchases etc.	20,222.28
e) All Other Expenses	Not Applicable

*The accounting system mandated by the State Comptroller is of such a nature that the readily obtainable object code breakdown can only be approximated at this time with the personnel currently available. A more definitive breakdown would require several more weeks to accomplish.

APPENDIX E (cont.)

METROPOLITAN DISTRICT COMMISSION ENGINEERING DIVISION

PROJECT: City Tunnel Extensions

1. Legislative authorization: St. 1961, C. 522
2. Nature of the work performed by the Engineering Division:
Planning, Design, Contract Preparation, Administration and Construction Supervision.
3. Contract Reference Number: C-227
4. Project start and completion dates, both bid and actual:
Bids Opened: 6/12/70
Start. Date 8/30/70
Comple. Date 7/27/72
- *5. Cost of Project, based in the following terms:

a) Capital Outlay	\$4,293,839.52
b) Personnel costs (Field)	230,000.00
c) Professional Services	8,500.00
d) Equipment, supplies, purchases, etc.	2,100.00
e) All Other Expenses	Not Applicable

*The accounting system mandated by the State Comptroller is of such a nature that the readily obtainable object code breakdown can only be approximated at this time with the personnel currently available. A more definitive breakdown would require several more weeks to accomplish.

APPENDIX E (con't)

METROPOLITAN DISTRICT COMMISSION ENGINEERING DIVISION

PROJECT: Miscellaneous Work — Storm Detention Chlorination Station

1. Legislative authorization: St. 1945, C. 705
2. Nature of the work performed by the Engineering Division:
Planning, Design, Contract Preparation, Administration and Construction Supervision.
3. Contract Reference Number: C-403
4. Project start and completion dates, both bid and actual:
Bids Opened: 8/4/72
Start Date 8/28/72
Comple. Date 11/25/72
- *5. Project cost, based in the following terms:

a) Capital Outlay	\$39,760.00
b) Personnel Costs (Field)	5,400.00
c) Professional Serv.	None
d) Equipment Supplies purchases etc.	None
e) All other expenses	Not Applicable

*The accounting system mandated by the State Comptroller is of such a nature that the readily obtainable object code breakdown can only be approximated at this time with the personnel currently available. A more definitive breakdown would require several more weeks to accomplish.

APPENDIX E (cont.)

METROPOLITAN DISTRICT COMMISSION ENGINEERING DIVISION

PROJECT: West End Brook Flood Control

1. Legislative authorization: St. 1967, C. 640
2. Nature of the work performed by the Engineering Division:
Planning, Design, Contract Preparation, Administration and Construction Supervision.
3. Contract Reference Number: C-375
4. Project start and completion dates, both bid and actual:
Bids Opened: 10/23/70
Start Date 1/18/71
Compleat. Date 8/2/72

*5. Project cost, based in the following terms:

a) Capital Outlay	\$1,581,710.67
b) Personnel Costs (Field)	124,000.00
c) Professional Services	12,939.89
d) Equipment Supplies purchases etc.	1,534.40
e) All other expenses	Not Applicable

*The accounting system mandated by the State Comptroller is of such a nature that the readily obtainable object code breakdown can only be approximated at this time with the personnel currently available. A more definitive breakdown would require several more weeks to accomplish.

APPENDIX E (con't)

METROPOLITAN DISTRICT COMMISSION ENGINEERING DIVISION

PROJECT: Rehabilitation of East Boston Pumping Station

1. Legislative authorization: St. 1951, C. 645
2. Nature of the work performed by the Engineering Division:
Planning, Design, Contract Preparation, Administration and Construction Supervision.
3. Contract Reference Number: C-400
4. Project start and completion dates, both bid and actual:
Bids Opened: 11/11/71
Start Date 1/3/72
Comple. Date 7/15/72
- *5. Cost of project, based in the following terms:

a) Capital Outlay	\$134,396.59
b) Personnel Costs (Field)	20,000.00
c) Professional Serv.	None
d) Equipment, Supplies purchases etc.	None
e) All other expenses	Not Applicable

*The accounting system mandated by the State Comptroller is of such a nature that the readily obtainable object code breakdown can only be approximated at this time with the personnel currently available. A more definitive breakdown would require several more weeks to accomplish.

APPENDIX E (cont.)

METROPOLITAN DISTRICT COMMISSION ENGINEERING DIVISION

PROJECT: Removal of Debris, Vegetation and Dredging (Alewife)

1. Legislative authorization: St. 1970, C. 480
Budget Acct. No. 2442-9017
Reappropriated by St. 1971, C. 427
St. 1972, C. 346

2. Planning, Design, Contract Preparation
Administration

3. Contract Reference Number: 2179

4. Project start and completion dates, both bid and actual:

Bids Opened:	3/30/72
Start Date	5/1/72
Compleat. Date	8/9/72

- *5 Project cost, based in the following terms:

a) Capital Outlay	\$83,291.19
b) Personnel Costs	10,000.00
(Field)	
c) Professional Services	None
d) Equipment Supplies purchases etc.	126.60
e) All other expenses	Not Applicable

*The accounting system mandated by the State Comptroller is of such a nature that the readily obtainable object code breakdown can only be approximated at this time with the personnel currently available. A more definitive breakdown would require several more weeks to accomplish.

APPENDIX F

The following computer print-out comprises the list of Construction Division employees as of January, 1973. The tabulation is according to the order of percentage of pay increases each has received during the previous 37 months, with the highest percentage of increase topping the list and the lowest at the bottom.

To clarify the list, each column is headed by a letter with the following significance:

- | | |
|-----------------------------|---|
| A — Payroll section: | B — Employee number |
| 006 = financial | C — Job classification |
| 007 = commissioner's office | D — Weekly salary as of January 1973 |
| 008 = engineering services | E — Pay increases since January 1970 |
| 009 = right of way | F — Percentage of pay increase during period, to be
read as though decimal point followed first
two numerals. Thus, 714 represents 71.4%,
658 represents 65.8%, etc. |

See Charts on the following (5) five pages

A	B	C	D	E	F
008	54501	00000	28235	11760	714
007	25812	00116	17500	06945	658
007	50220	00159	40915	16030	644
008	04405	00112	27975	09765	536
008	23936	00P30	27950	09605	524
009	23101	00169	24915	07375	421
009	89000	00150	20870	06120	415
008	50000	00113	19400	05495	395
008	56700	00137	32410	09175	395
008	59903	00137	32410	09175	395
008	06801	00140	27950	07745	383
008	69601	00099	17500	04845	383
008	42001	00158	40590	11185	380
009	65318	00174	22305	06130	379
007	82814	00116	12825	03445	367
008	13900	00090	35865	09625	367
009	28400	00P06	35865	09625	367
008	63200	00137	40110	10705	364
008	20918	00100	14830	03925	360
006	67019	00108	14335	03780	358
009	88900	00141	22305	05830	354
008	61000	00138	31355	08120	350
008	76801	00138	31355	08120	350
008	46806	00141	19890	05140	349
007	73014	00150	23580	06040	344
008	04602	00112	26955	06750	334
008	12001	00137	35010	08770	334
008	12603	00137	35010	08770	334
008	33001	00137	35010	08870	334
008	42300	00137	35010	08770	334
008	75502	00137	35010	08770	334
008	83103	00137	35010	08770	334
008	93500	00137	35010	08770	334
009	41100	00169	24915	06235	334
008	29200	00090	39165	09760	332
007	83920	00153	24780	06100	327
008	04601	00153	24780	06100	327
008	15601	00013	19390	04740	324
008	28401	00013	20020	04895	324
008	40102	00P06	38695	09290	316
008	97400	00P06	38695	09290	316
009	37401	00146	40590	09715	315
007	15600	00176	25680	06140	314
009	14902	00010	40915	09755	313
008	31000	00142	24525	05845	313
008	82500	00142	24525	05845	313
008	22200	00150	21605	05130	311
008	13301	00142	23580	05470	302
008	24400	00142	23580	05470	302
008	83901	00142	23580	05470	302
008	50001	00138	30220	06985	301
008	74201	00138	30220	06985	301
008	92003	00138	30220	06985	301
007	22334	00142	22635	05095	291
008	36800	00089	20135	04535	291
008	67510	00142	26415	05940	290
008	61001	00010	33710	07470	285
008	61101	00137	33710	07470	285

A	B	C	D	E	F
006	08100	00108	15805	03500	284
008	23901	00112	25935	05730	284
008	50400	00000	25935	05730	284
008	16103	00142	27360	06030	283
008	14501	00153	23915	05235	280
008	02100	00033	23880	05200	278
008	55100	00033	23880	05200	278
008	82900	00094	23880	05200	278
008	89201	00171	23880	05200	278
009	19800	00174	23110	05000	276
009	28600	00174	23110	05000	276
007	15026	00151	35865	07725	275
008	90300	00107	19285	04160	275
006	05300	00100	18220	03915	274
007	85814	00100	15395	03315	274
008	60701	00089	21605	04635	273
007	70400	00099	22305	04765	272
008	23000	00094	25680	05475	271
008	30302	00094	25680	05475	271
008	37105	00094	25680	05475	271
008	37400	00033	25680	05475	271
008	41302	00033	25680	05475	271
008	43500	00094	25680	05475	271
008	44401	00094	25680	05475	271
008	58800	00177	25680	05475	271
008	65701	00094	25680	05475	271
008	69900	00094	25680	05475	271
008	76200	00094	25680	05475	271
008	99600	00033	25680	05475	271
009	63002	00178	37280	07875	268
008	14401	00101	20870	04395	267
008	25101	00089	20870	04395	267
008	57801	00089	20870	04395	267
008	70502	00101	20870	04395	267
008	80203	00101	20870	04395	267
008	92801	00089	20870	04395	267
007	01806	00151	33710	07065	265
007	75509	00115	14680	03075	265
008	11700	00142	23580	04900	262
008	15902	00142	23580	04900	262
008	76600	00142	23580	04900	262
008	83104	00142	23580	04900	262
008	89001	00142	23580	04900	262
008	89200	00142	23580	04900	262
008	98300	00142	23580	04900	262
008	62200	00150	25470	05245	260
007	46811	00152	28995	05955	259
008	06800	00012	46575	09465	255
007	20713	00151	25315	05110	253
008	71215	00013	16870	03380	251
008	14101	00112	28995	05760	248
008	11712	00172	23895	04735	247
008	16101	00170	30815	06065	245
008	20900	00170	30815	06065	245
008	12300	00142	25470	04995	244
008	30201	00013	19390	03790	243
008	69000	00013	19390	03790	243
008	31003	00113	20135	03920	242

A	B	C	D	E	F
008	09600	00013	18760	03635	240
008	15901	00013	18760	03635	240
008	36706	00142	26415	05085	238
008	38000	00138	32490	06250	238
009	88500	00174	23110	04430	237
008	54400	00033	24780	04575	236
008	55000	00137	36310	06905	235
008	24701	00013	22340	04230	234
008	27900	00105	18665	03540	234
006	88303	00100	15960	02990	231
008	53500	00033	22980	04300	230
008	62501	00118	17090	03185	230
008	76301	00168	17090	03185	229
008	92002	00089	22340	04160	229
006	60301	00108	16295	03015	227
007	50407	00166	14830	02730	226
007	56302	00099	21500	03960	226
008	51800	00094	24780	04575	226
007	61617	00150	26415	04810	223
008	07408	00089	18665	03405	223
008	12505	00089	18665	03405	223
008	10000	00142	22635	03955	212
008	49900	00142	22635	03955	212
006	70501	00116	13980	02375	205
008	30600	00112	27975	04740	204
008	40101	00112	27975	04740	204
008	43401	00170	29715	04965	201
008	21502	00089	22340	03660	196
008	54601	00161	45760	07495	196
008	56801	00101	19400	03185	196
008	61102	00089	22340	03660	196
008	65619	00094	23880	03905	196
008	69818	00113	19400	03185	196
008	75602	00089	22340	03660	196
008	87300	00089	22340	03660	196
008	48517	00140	30220	04935	195
008	53400	00142	25470	04140	194
006	67121	00162	28510	04620	193
007	98913	00165	45760	07295	190
008	45803	00118	15960	02545	190
008	89828	00095	25680	04075	189
008	92707	00155	25680	04075	189
008	04409	00013	18130	02870	188
008	07512	00013	18130	02870	188
008	14925	00013	18130	02870	188
008	25813	00013	18130	02870	188
008	44504	00013	18130	02870	188
008	64807	00013	18130	02870	188
008	79622	00013	18130	02870	188
008	93004	00013	18130	02870	188
008	11302	00113	21605	03395	186
008	32608	00167	22340	03465	184
008	76913	00118	17090	02655	184
006	83707	00103	11085	01705	182
008	19505	00013	19390	02990	182
008	62538	00013	19390	02990	182
008	89801	00033	23880	03675	182
006	58126	00175	12265	01870	180

A	B	C	D	E	F
008	75506	00013	20020	03050	180
008	79323	00104	14920	02260	179
006	25213	00108	15805	02390	178
008	13400	00088	17245	02595	177
008	15942	00013	20650	03110	177
008	25400	00013	20650	03110	177
008	44505	00013	20650	03110	177
008	60812	00013	20650	03110	177
008	70201	00013	20650	03110	177
008	72607	00013	20650	03110	177
008	72608	00013	20650	03110	177
008	89024	00013	20650	03110	177
008	96800	00013	20650	03110	177
007	73810	00142	28995	04245	172
007	18200	00134	36310	05245	169
008	74411	00142	21690	03010	161
008	88305	00142	21690	03010	161
006	80400	00111	14680	02025	160
008	02413	00100	14830	02025	158
008	18901	00101	20135	02590	148
008	28629	00157	35010	04520	148
008	58526	00118	15395	01980	148
008	71126	00013	17500	02240	147
009	33023	00174	22305	02865	147
007	50511	00151	30675	03875	145
008	72411	00101	22340	02800	143
007	24700	00151	40110	05010	140
008	49600	00088	17245	02120	140
007	77100	00170	30815	03380	123
007	13816	00118	16525	01765	120
008	18907	00049	50400	05330	118
008	06900	00118	18220	01745	106
008	08203	00156	36310	03470	106
008	15941	00013	20650	01970	106
008	23600	00013	20650	01970	106
008	23601	00142	27360	02610	106
008	23602	00013	20650	01970	106
008	31206	00104	14000	01340	106
008	52300	00013	20650	01970	106
008	69200	00013	20650	01970	106
006	17801	00108	16295	01545	105
007	71200	00120	14680	01400	105
007	83700	00120	14680	01400	105
008	06000	00013	20650	01970	105
008	07000	00013	20650	01970	105
008	65700	00140	32490	03085	105
008	76912	00101	19400	01855	105
009	50701	00131	34335	03270	105
007	61771	00160	28235	02335	090
007	88605	00154	23895	01965	090
008	02907	00094	21180	01735	089
007	62502	00154	19890	01590	087
007	32005	00164	44525	03535	086
008	13822	00167	18665	01475	086
008	45301	00113	18665	01475	086
008	49601	00113	18665	01475	086
007	91602	00100	15395	01175	083
008	18100	00118	15395	01175	083

A	B	C	D	E	F
008	63038	00118	15395	01175	083
007	01806	00150	24780	01875	082
008	20000	00013	17500	01325	082
008	34435	00013	17500	01325	082
008	57411	00013	17500	01324	082
008	69459	00013	17500	01325	082
008	98205	00013	17500	01325	082
009	36601	00174	22305	01695	082
008	74018	00104	13080	00980	081
008	91518	00104	13080	00980	081
008	92823	00104	13080	00980	081
008	00923	00104	13080	00980	080
006	08919	00175	11495	00845	079
008	84708	00118	17090	01250	079
006	61509	00114	12055	00865	077
007	12309	00106	12055	00865	077
008	27105	00106	12055	00865	077
008	72710	00106	12055	00865	077
007	85100	00151	37280	01545	043
007	92407	00108	13355	00550	043
008	13904	00113	17930	00740	043
008	22334	00013	20650	00845	043
008	50500	00105	17930	00740	043
008	84503	00118	14830	00610	043
008	22624	00099	20020	00630	033
007	67006	00150	24215	00700	030
006	24816	00108	10684	00000	000
007	22328	00142	21690	00000	000
007	65705	00100	14830	00000	000
008	10404	00113	17930	00000	000
008	14705	00113	17930	00000	000
008	48400	00118	14830	00000	000
008	65307	00118	15960	00000	000
009	65404	00107	12160	00000	000
009	78400	00099	P T	00000	000

LEGISLATIVE
RECOMMENDATIONS

APPENDIX G

The Commonwealth of Massachusetts

IN THE YEAR ONE THOUSAND NINE HUNDRED AND SEVENTY-THREE.

AN ACT REPEALING THE LAW PROVIDING CERTAIN FUNDS FOR THE METROPOLITAN DISTRICT COMMISSION.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 766 of the acts of 1970 is hereby amended by striking out sections 1, 2, 3 and 4.

APPENDIX H

The Commonwealth of Massachusetts

IN THE YEAR ONE THOUSAND NINE HUNDRED AND SEVENTY-THREE.

AN ACT RELATIVE TO EXPENSES WHICH MAY BE CONSIDERED AS PART OF THE DIRECT COSTS OF PROJECTS AND WORKS AUTHORIZED BY THE METROPOLITAN WATER DISTRICT ADDITIONAL LOAN, ACT OF 1967.

WHEREAS, The deferred operation of this act would tend to defeat its purpose, which is to preclude the payment from bond funds of salaries and expenses of all officers and employees of the construction division of the metropolitan district commission engaged in projects or activities authorized by bond issue, therefore, it is declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. Chapter 669 of the acts of 1967 is hereby amended by striking out the second paragraph in Section 1 and inserting in place thereof the following: Engineering and administrative expenses including, but not limited to, materials, supplies and transportation costs, but not including personnel, incurred under this act and all afore-said prior acts, shall be considered as part of the direct costs of the projects and works for which they are incurred.

APPENDIX I

The Commonwealth of Massachusetts

IN THE YEAR ONE THOUSAND NINE HUNDRED AND SEVENTY-THREE.

AN ACT RELATIVE TO EMPLOYEES OF THE CONSTRUCTION DIVISION OF THE METROPOLITAN DISTRICT COMMISSION.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding the provision of any general or special law to the contrary, all officers and positions in the construction (engineering) division of the metropolitan district commission shall, after December 30, 1973, be subject to chapter thirty-one of the General Laws.

LEGISLATIVE POST AUDIT AND OVERSIGHT BUREAU

Professional Staff

William H. Finnegan, Director

C. R. Owens, Assistant Director

Walter F. Hurlburt, Supervising Legislative Analyst

Robert M. Brigham

William A. C. Brooks

Joseph A. Davey

Michael J. Del Vecchio

Dennis F. Griffin

David L. Malloy

Arthur V. Morley

Frederick L. Rhodes, Jr.

William J. Smith

Richard M. Sundstrom

Richard F. Tobin, Jr.

Administrative Staff

Kathleen R. Kelliher

Thelma C. Shine

